

## East Asia in world history, 1750–21st century

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The rise of China, or better, China's resurgence as an economic colossus and an emerging geopolitical force, has captured world attention and generated controversy since the final decades of the twentieth century. Some view China as the dominant global force shaping the new millennium in the Asia-Pacific and even globally, while others highlight the continued legacy of US hegemony while warning of a looming US–China clash. Little noted and less understood has been the geopolitical and economic resurgence and social transformation of East Asia *as a region* (defined below), a phenomenon without precedent in world history in its scale, speed of advance, and regional character. This chapter, giving pride of place to regional over national and local dynamics, frames the resurgence of East Asia as the most dynamic global region of the world economy since the 1970s in light of its position in two earlier epochs, drawing attention to distinctive features of East Asian regionalism past and present while deconstructing certain mythologies that have accompanied spiraling growth rates across the region.

During much of the first epoch, from 1750 to the early nineteenth century, as in earlier periods, East Asia, with the China-centered tributary-trade system as its major institutional expression, with intra-regional and global linkages via trade and silver exchange, and with shared written language, Confucianism, and political institutions across China, Japan, Korea, and Vietnam, rivaled, and in certain respects surpassed, Europe as a center of power, population concentration, and perhaps even prosperity. In contrast to Europe, at this time much of East Asia experienced protracted peace, with the important qualification that China extended the reach of its empire westward, deep into Inner Asia during the eighteenth century. In the second epoch, from the early nineteenth century to 1970, building on Western economic dynamism and its global reach, large parts of East Asia were conquered by expansive empires (European, and later American and Japanese) or were enmeshed in protracted civil and international wars and

revolutions. In the process, not only were large areas of East Asia subordinated to Western or Japanese power, but the region's character and much of its economic strength were undermined in the wake of the collapse of the Qing dynasty and the regional tributary-trade order.

As much of East Asia experienced invasion, conquest, and decline, new forces emerged including the growing role of overseas Chinese capital linking China and Southeast Asia, Japan's Asia-centered empire, and successive Chinese revolutions. By the early nineteenth century, this would usher in the phenomenon that Kenneth Pomeranz has called the "Great Divergence." "Only after nineteenth-century industrialization was well advanced," Pomeranz writes, "does it make sense to see a single, hegemonic European 'core,'" and conversely, an East Asian periphery that experienced relative decline.<sup>1</sup> As both Pomeranz and R. Bin Wong demonstrate through astute comparisons, it was a divergence that cannot be explained in terms of European exceptionalism given East Asia's earlier robust political economy. The era from the early nineteenth century to 1970 nevertheless transformed the internal dynamics of the region and led to its declining position in the world economy and geopolitics. However, as some important regional bonds within East Asia were severed, new ones formed, and some of the foundations for subsequent resurgence and reknitting were created in the midst of the destructive era of Western imperialism.

What then were the forces that made possible East Asian resurgence and regional dynamism since 1970, at a time when many other macro regions, notably large areas of Africa, Latin America, and the Middle East that had also been subjected to the destructive power of colonialism, remain plagued by deep divisions or the ravages of war? The premise is that the exceptional regional resurgence, economic interpenetration, and protracted peace across East Asia since 1970 are best understood not as the sum of distinct national phenomena but as the product of a single process operating at the world-regional level, and one drawing in part on long-term historical strengths and antecedents. Between 1970 and 1975, the divisions of East Asia in the era of war that spanned the preceding century and a half, and the rift between capitalist and socialist blocs that emerged in the wake of the Second World War and was contested in protracted wars and revolutions in China, Korea, and Indochina, came to an end. This paved the way for China's expansive role

1 Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy* (Princeton University Press, 2000), p. 5. See also R. Bin Wong, *China Transformed: Historical Change and the Limits of European Experience* (Ithaca, NY: Cornell University Press, 1997).

in world politics and economics ushered in by US–China accommodation in the early 1970s, as well as the transformation of China’s collective- and state-centered institutional and social fabric in favor of state capitalism and the market. What followed was the rapid interpenetration of economies previously divided by regional and global conflicts, spurred by the extraordinary growth of both intra-regional and global trade and a shift of the center of world manufacturing from Europe and North America to East Asia, notably Japan, South Korea, and China. If the US–Soviet conflict ended with the collapse of the Soviet empire in 1989–1990, or at least became less central in global geopolitical terms, the primary rift in East Asia, pivoting on the US–China clash, was bridged beginning in the 1970s. In the subsequent era of relative peace, national borders, rather than creating divides, for the most part have served as hot zones facilitating intensified exchange as new railroad and road networks proliferated. The result is that while trade and investment trajectories primarily linked East Asian nations with Western nations prior to the 1970s, by the new millennium the most dynamic bonds were those among East Asian nations, and extending to Southeast Asia, Inner Asia, and South Asia. Notably, these bonds even extended in some cases to political rivals or former rivals, such as the People’s Republic of China and the Republic of China, between the PRC and Japan, and between the PRC and South Korea. Since the 1970s, the resurgence has spanned the entire region, with the most dynamic economic growth and income gains centered initially on Japan, South Korea, Taiwan, Hong Kong, and Singapore, with subsequent economic and geopolitical changes pivoting on China and its economic partners.

Understanding these multiple processes requires integrating politics, society, and economics in a national, regional, and global perspective. In contrast to the autarkic regionalism which Japan sought to impose on East Asia from 1931 to 1945 (culminating in the Greater East Asia Co-Prosperity Sphere of 1940–1945), and the regional divide of the capitalist and socialist blocs in the early postwar years, the contemporary region-in-forma-tion is notable both for its expansive internal economic and financial bonds as well as its growing importance and the combination of intra-regional and global integration. If this transformation has taken place in an era of intra-regional peace, important conflicts, such as those associated with the unresolved US–Korean War, legacies of the Japanese empire including territorial and historical memory conflicts, and tensions associated with territorial conflicts in the South China Sea and East China Sea, continue to threaten regional order and regional–global peace. The final section of this chapter returns to East Asia, as the most dynamic region of the world economy, but one riven by geopolitical

divisions attendant on a resurgent China bent on challenging a US-dominated regional order, a newly assertive Japan with growing military aspirations, and growing territorial conflicts which threaten to tear the region apart.

### East Asia as a world region

This world-regional approach concurs with Bruce Cumings's assessment that a country-by-country analysis is misleading because it "misses, through a fallacy of disaggregation, the fundamental unity and integrity of the regional effort" that was evident in the eighteenth century, and has gathered momentum while assuming new forms particularly since the 1970s.<sup>2</sup> Following Cumings, the systemic interaction among the countries and between the region and world is placed at the center of the analysis of the interplay of geopolitics and economics that defines a world region in the contemporary era. Looking beyond East Asia to contiguous regions of Inner Asia and Southeast Asia, we adopt Karl Deutsch's conception of world regions as groups of contiguous countries markedly interdependent over a wide range of dimensions that vary in space and evolve over time, such as the rice-centered economies of central and southern coastal China, Japan, and Vietnam on the one hand, and the pastoral-centered economies and societies of the steppes of Inner Asia. The latter complementarities not only played a role in the exchange of food and manufactures of agrarian coastal China for horses from the steppes, but also long shaped the geopolitics of the sub-regions. In the new millennium we will observe new complementarities of agriculture, industry, finance, and resources.

We can state this proposition in different terms. The approach contrasts with the school associated with John Fairbank and much anglophone scholarship emphasizing China's (and Asia's) response to the West as the key to understanding the region's modernization and resurgence.<sup>3</sup> Likewise, it breaks with an essentialist scholarship predicated on the inherent superiority

2 Bruce Cumings, "The origins and development of the northeast Asian political economy: industrial sectors, product cycles, and political consequences," in Frederic C. Deyo, ed., *The Political Economy of New Asian Industrialism* (Ithaca, NY: Cornell University Press, 1987), p. 46.

3 John K. Fairbank, *The United States and China* (Cambridge, MA: Harvard University Press, 1983); Ssu-yu T'eng and John K. Fairbank, *China's Response to the West: A Documentary Survey, 1839-1923* (New York: Atheneum, 1963). See particularly David Landes, *The Unbound Prometheus: Technological Change and Industrial Development in Western Europe from 1750 to the Present*, 2nd edn (Cambridge University Press, 2003); W. W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge University Press, 1962).

of the West. This approach further differs from Marxist approaches emphasizing the feudal character of Chinese and Asian societies in search of “sprouts of capitalism” at a time of the flourishing of European capitalism in the eighteenth century.<sup>4</sup>

The China-centered perspective on East Asia and the world economy proposed here looks beyond China’s position in the Asian land mass to factor in the importance of the seas prior and subsequent to the nineteenth century Western challenge. In this view, East Asia *qua* region, with China at its core and embracing Northeast Asia and Southeast Asia, played a significant role in regional and world economy and geopolitics through the early nineteenth century. In eighteenth-century East Asia the crucial trajectory was not from tribute to treaties but from tribute to trade (Map 19.1).<sup>5</sup>

### East Asian regionalism: the eighteenth century

The work of Takeshi Hamashita, R. Bin Wong, Kenneth Pomeranz, Kaoru Sugihara, Anthony Reid, Leonard Blussé, and Andre Gunder Frank, among others, demonstrates that between the sixteenth and eighteenth centuries, coinciding with the dawn of European capitalism, East Asia was the center of

4 Albert Feuerwerker and S. Cheng, *Chinese Communist Studies of Modern Chinese History* (Cambridge, MA: East Asian Research Center, 1961); Albert Feuerwerker, ed., *History in Communist China* (Cambridge, MA: MIT Press, 1968).

5 Linda Grove and Mark Selden, “Editors’ introduction: new perspectives on China, East Asia, and the global economy,” in Takeshi Hamashita, *China, East Asia and the Global Economy: Regional and Historical Perspectives* (London: Routledge, 2008), pp. 1–8. For an overview of postwar Japanese scholars and translations of major articles, see Linda Grove and Christian Daniel, eds., *State and Society in China: Japanese Perspectives on Ming-Qing Social and Economic History* (University of Tokyo Press, 1984). This literature, together with a Eurocentric modernization literature, provided the prelude to the revisionist thrust of Hamashita and others examined here. Some researchers such as Victor Lieberman, and Martin Lewis and Karen Wigen, have cast doubt on Southeast Asia’s claim to exist as a world region in its own right, noting the heterogeneous character of its religious, literary, political, and economic heritage as well as its position spanning mainland Asia and across the South China Sea. By contrast, others such as Anthony Reid find a common cultural substratum that provides a regional identity despite multiple external influences and internal differences. Victor Lieberman, “Local integration and Eurasian analogies: structuring Southeast Asian history, c. 1350–1830,” *Modern Asian Studies* 27:3 (1993), 476; Martin Lewis and Karen Wigen, *The Myth of Continents: A Critique of Metageography* (Berkeley, CA: University of California Press, 1997), p. 175; Anthony Reid, *Southeast Asia in the Age of Commerce, 1450–1680*, 2 vols. (New Haven, CT: Yale University Press, 1988 and 1993). Leonard Blussé accepts the eighteenth century as a “Chinese century” in trade, but argues that this had little to do with the tributary system: *Visible Cities: Canton, Nagasaki, and Batavia and the Coming of the Americans* (Cambridge, MA: Harvard University Press, 2008).



Map 19.1 East Asia today

a vibrant geopolitical and economic region that invites comparison with the contemporary West.<sup>6</sup> Two elements of the East Asian order together defined its distinctive regional and global features.

Among the important linkages that shaped the political economy and geopolitics of the East Asian world was the China-centered tributary-trade order, pivoting on transactions negotiated through formal state ties governing political hierarchies and defining regional and subregional order, as well as providing a venue for informal trade conducted at the periphery of tributary missions. The system was also driven by a wide range of legal and illegal trade, much of it linking port cities beyond the borders of the Chinese imperial state. While Korea, Vietnam, the Ryūkyūs, and a number of Central and Southeast Asian kingdoms actively engaged in tributary trade with China, Japan sent no tributary missions in the course of the seventeenth to nineteenth centuries.

China–Japan direct trade nevertheless continued not only through the port of Nagasaki with linkages to the Chinese and Dutch, but also indirectly through the Ryūkyūs, Kyūshū, and Hokkaidō, in addition to coastal trade with China that the Chinese state defined as piracy. In short, despite the imposition of interstate trade restrictions by the Qing and Tokugawa

6 Hamashita, *China, East Asia and the Global Economy*; Giovanni Arrighi, Takeshi Hamashita, and Mark Selden, eds., *The Resurgence of East Asia: 500, 150 and 50 Year Perspectives* (London: Routledge, 2003); Andre Gunder Frank, *ReORIENT: Global Economy in the Asian Age* (Berkeley, CA: University of California Press, 1998); Gary Hamilton, *Commerce and Capitalism in Chinese Societies* (London: Routledge, 2006); Hidetaka Yoshimatsu, *The Political Economy of Regionalism in East Asia: Integrative Explanation for Dynamics and Challenges* (Basingstoke: Palgrave Macmillan, 2008); Mark Beeson, *Regionalism and Globalization in East Asia: Politics, Security and Economic Development* (Basingstoke: Palgrave Macmillan, 2007); Ernst van Veen and Leonard Blussé, eds., *Rivalry and Conflict: European Traders and Asian Trading Networks in the 16th and 17th Centuries* (Leiden: CNVS Press, 2005); Timothy Brook, *The Confusions of Pleasure: Commerce and Culture in Ming China* (Berkeley, CA: University of California Press, 1998); Francesca Bray, *The Rice Economies: Technology and Development in Asian Societies* (Oxford University Press, 1985); Nola Cooke and Li Tana, eds., *Water Frontier: Commerce and the Chinese in the Lower Mekong Region, 1750–1880* (Lanham, MD: Rowman & Littlefield, 2004); Reid, *Southeast Asia in the Age of Commerce*. The issues, including the relationship between tributary and trade networks and the reach of the tributary system, have been sharply debated by historians and economists in symposia in the *Journal of Asian Studies*, *American Historical Review*, and *Modern China*, among others. They have also been examined by a range of Japanese scholars. See, especially, Kaoru Sugihara's edited collection on the links between Japanese development, intra-Asian trade, and the Asian economies, *Japan, China, and the Growth of the Asian International Economy, 1850–1949* (Oxford University Press, 2005). For an important recent Chinese interpretation, see Wang Hui, "The politics of imagining Asia: empires, nations, regional and global orders," *Inter-Asia Cultural Studies* 8:1 (2007), 1–34.

governments, both tributary and informal networks including intercity trade all contributed to East Asia's economic dynamism.<sup>7</sup>

A measure of the influence of the tributary-trade system is that it expanded beyond Chinese reach, taking on a life of its own in defining the geopolitics of East Asia. For example, between the seventeenth and nineteenth centuries, Japan sent no tributary missions, but it covertly manipulated Okinawan tributary missions to China for its own purposes as well as organizing Okinawan tribute embassies to the Tokugawa.<sup>8</sup> Likewise, Vietnam, which sent regular tribute missions to China, established its own sub-tributary order quite independent of China to govern its relations with Laos. Moreover, ports designated for tributary purposes invariably established merchant-driven trade and financial relations with other treaty ports and non-treaty ports.

A notable feature of the regional order is that China subsidized peace and stability through tributary-trade networks over large areas of East, Southeast and Inner Asia. This meant supporting favored local rulers in the interest of regional peace and stability as a guarantee of Chinese primacy. This included assuring a sustained transfer of resources via direct and indirect subsidies and guaranteed access to lucrative tributary-related trade for Korea, Vietnam, and the Ryūkyūs, among others.

In these and other ways, as early as the sixteenth century, a distinctive regional political economy emerged in a relatively prosperous East Asia that was linked to other parts of Asia, the Pacific, Europe, and North America. This is particularly significant in light of the tendency in the reappraisals of imperialism beginning with S. B. Saul, J. Gallagher, R. Robinson, D. C. M. Platt, and David Landes, to slight Asian dynamism, treating Asia in a negative or exclusively reactive fashion, indeed dismissing the East within an East–West binary suggestive of an Orientalist perspective.<sup>9</sup>

Beyond the tributary system and the importance of silver in linking China, East Asia, and the New World from the sixteenth century,<sup>10</sup> is a spatial vision

7 An important issue that I do not address here is the fact that the Qing empire that carried China to a peak of peace and relative prosperity in the eighteenth century was the product of Manchu leadership, thus raising important questions about the multi-ethnic character of the Chinese state and nation, and its relations with Central Asia and the steppe regions generally, as well as with East and Southeast Asia.

8 Takeshi Hamashita, "The Ryukyu maritime network from the fourteenth to eighteenth centuries: China, Korea, Japan, and Southeast Asia," in Hamashita, *China, East Asia and the Global Economy*, pp. 57–84.

9 Alain Gresh, "From Thermopylae to the Twin Towers: the West's selective reading of history," *Le Monde Diplomatique*, January 2009.

10 Dennis O. Flynn, "Silver in global context," in Dennis O. Flynn and Arturo Giráldez, eds., *Metals and Monies in an Emerging Global Economy* (Aldershot: Variorum, 1997).



centered less on national economies and state policies, and more on open ports and their hinterlands. It is an approach that requires new spatial understanding of the relationship between land and sea, between coastal and inland regions, and among port cities and their hinterlands.

Nola Cooke and Tana Li, as well as Charles Wheeler, highlight the autonomous trade patterns that gave rise to the “water frontier” linking southern coastal China and Indochina in the eighteenth century, thereby contributing to the transformation of the domestic economies of the Mekong region.<sup>11</sup> Non-tributary linkages among China, Vietnam, Korea, the Ryūkyūs, Inner Asia, and insular Southeast Asia created extensive trade networks independent, or at the margins, of official tributary missions, all contributing to strengthening regional economic linkages. Frequently, nodes in the tributary-trade system simultaneously provided links to other ports and cities that were largely autonomous from central state controls, to create regional trade networks that could in turn be linked to the world economy. Many of these nodes would emerge with new vigor as global cities in the course of the long twentieth century, notably in the case of Chinese cities including Shanghai, Guangzhou, and Tianjin, as well as Shenzhen, Hong Kong, and Singapore since the 1980s, but also of course Tokyo, Seoul, and others.<sup>12</sup>

At its height in the eighteenth century, large regions of East Asia, with China at the center, experienced a long epoch of peace and prosperity on the foundation of a tributary-trade order at a time when Europe and its colonial peripheries were more or less continuously engulfed by war and turmoil. The point is not to portray a China perpetually at peace and without conquest. Indeed, mainland China’s borders and its territorial claims today are virtually those of the farthest reaches of empire created by the Qing through its expansive thrust into northern and western regions including Tibet, Mongolia, Xinjiang, and Sichuan.<sup>13</sup> It is nevertheless useful to contrast the

11 Cooke and Tana, eds., *Water Frontier*; Charles Wheeler, “Buddhism in the re-ordering of an early modern world: Chinese missions to Cochinchina in the seventeenth century,” *Journal of Global History* 2:3 (November 2007), 281–302, and “Re-thinking the sea in Vietnamese history: littoral society in the integration of Thuan-Quang, seventeenth–eighteenth centuries,” *Journal of Southeast Asian Studies* 37:1 (February 2006), 123–153.

12 See, for example, Saskia Sassen, *The Global City: New York, London, Tokyo*, 2nd edn (Princeton University Press, 2001) and *Cities in a World Economy*, 3rd edn (Thousand Oaks, CA: Pine Forge, 2006).

13 China achieved the peak of territorial expansion during the eighteenth century, extending the reach of empire north and west into Inner Asia including the incorporation of Tibet, Mongolia, and Xinjiang, and China’s informal reach extended into Southeast Asia as well. Most of China south of the Great Wall, and particularly coastal China and much of Southeast Asia, by contrast, enjoyed protracted peace.

dynamics of Chinese and Western empires in the eighteenth century. If tributary and private trade lubricated the regional order in East Asia, so too did common elements of values, politics, written language, and statecraft in the neo-Confucian orders in Japan, Korea, the Ryūkyūs, and Vietnam, including Chinese actions to legitimate or remove leaders of tributary states. In contrast to European colonial conquerors in the eighteenth and nineteenth centuries, this Sinocentric order placed fewer demands for assimilation on the peoples on China's peripheries or incorporated within the empire; the tributary order may have been less exploitative in economic and financial terms; and, at its height, it secured protracted general peace throughout large areas of East and Southeast Asia, with war and conquest confined to the western periphery. As Pomeranz points out, during its century of expansion into Inner Asia, the Qing allocated approximately 50 percent of government expenditures to war while major European states spent 80 percent on war and debt service (largely payments for earlier wars).<sup>14</sup> The situation would reverse in the nineteenth century.

Certain other distinctive features of the regional order at its height prior to the onslaught of European imperialism bear mention. While Mark Elvin saw China caught in a high-level equilibrium trap leaving it unable to compete with a dynamic European capitalism, at least through the eighteenth century and into the early nineteenth century, Kaoru Sugihara and Kenneth Pomeranz have persuasively demonstrated that income and consumption levels in core areas of China and Japan were comparable to those prevailing in Western Europe and North America in the eighteenth century, thus suggesting that neither a high-level trap nor some inherent flaw in Asian political economies, lay behind the superiority of the West at that time.<sup>15</sup> The point is not that the nature of the economies and societies of East and West were identical; rather, the insights of Akira Hayami and Jan de Vries on the demographics of the labor-intensive "industrious revolution," underline the

14 The point is not an essentialist one about war and peace in the Sinocentric and Eurocentric orders: in the nineteenth century, China and its peripheries entered a period of protracted war and subjugation while Europe largely banished warfare to its peripheries.

15 Kaoru Sugihara, "The East Asian path of economic development: a long-term perspective" and Kenneth Pomeranz, "Women's work, family, and economic development in Europe and East Asia: long-term trajectories and contemporary comparisons"; both in Arrighi, Hamashita, and Selden, eds., *The Resurgence of East Asia*, pp. 78–123 and pp. 124–172 respectively. See also Giovanni Arrighi, *Adam Smith in Beijing: Lineages of the Twenty-first Century* (London: Verso, 2007); Mark Elvin, "The historian as haruspex," *New Left Review* 52 (July–August 2008), 83–109; Akira Hayami, "A great transformation: social and economic change in sixteenth and seventeenth century Japan," *Bonner Zeitschrift für Japanologie* 8 (1986), 3–13.

distinctive technological and institutional paths charted by China and Japan, leading to a labor-intensive approach that contrasts with the capital-intensive economy that emerged in eighteenth-century England to power that nation's advance in the age of empire and industrialization.

The Chinese empire, under Manchu rule, may be viewed as the hegemonic power during the long eighteenth century in the sense of being the most powerful state presiding over a protracted peace in large areas of East and Southeast Asia, and legitimating selective regimes throughout the region. China was also the leading manufacturing exporter (silk, tea, porcelain) and a magnet for the world's silver, while radiating cultural-political norms. Where European colonial empires were constructed in the far reaches of the Americas, Africa, and Asia, China's expansive power radiated in its peripheral areas and typically permitted greater autonomy for tributary nations and trade partners. A measure of its strength is that it was not until well into the nineteenth century that expansive Western powers posed a significant military threat to China, and then in a period of advanced dynastic decline.

### The disintegration of East Asia: 1840–1970

The decline and then disintegration of the Qing in the late eighteenth and early nineteenth centuries, including its weakness in the face of conflicts with Burma, Vietnam, and other tributaries, set the stage for the challenge of the imperialist powers that would bring to an end the regional order and the protracted peace that had extended across large areas of East and Inner Asia to parts of Southeast Asia.

As the Chinese state began to weaken internally, its ability to impose order on such neighbors as Vietnam and Burma declined even before the Opium Wars in China and subsequent invasions throughout East and Southeast Asia directly challenged the old order and set in motion myriad fissiparous forces.<sup>16</sup> One consequence of the disintegration of the Chinese state and the tributary order was the migration of tens of millions of Chinese to Manchuria, Southeast Asia, the Americas, and beyond from the second half of the nineteenth century. The destruction of the old order paved the way for the emergence of powerful new forces. Beginning with silver remittances to the coastal communities of South China by overseas workers and

<sup>16</sup> Wensheng Wang, *White Lotus Rebels and South China Pirates: Crisis and Reform in the Qing Empire* (Cambridge, MA: Harvard University Press, 2014).

merchants, migration created foundations for Chinese banking networks at home and abroad. We note the progression from the earlier flow of goods to the flow of silver to the movements of people, and the return flow of goods and silver to China. If the largest number of migrants were Chinese, Japanese and Koreans also migrated across Asia, as well as to Hawai'i and the Americas. Each group created new networks and flows of labor, remittances, and capital. Despite such foundations for regional development, geopolitics trumped political economy. While the Japanese economy soared, much of Asia was subordinated to the colonial powers, giving rise to new bilateral ties while undercutting intra-Asian multilateral relationships associated with the tributary-trade structure.

From the latter half of the nineteenth century, with invasion and successive rebellions paralyzing the Chinese state, much of Southeast Asia was colonized by England, France, Holland, Portugal, Germany, and the United States, while Korea, Taiwan, Hokkaidō, and the Ryūkyūs were incorporated within an expansive Japanese empire by the first decade of the twentieth century. The protracted peace of East Asia in the eighteenth century, grounded in the former tributary-trade order and private trade, gave way to a century-long succession of colonial wars, while the regional order gave way to the predominance of bilateral metropolitan-periphery relations which precluded the re-emergence of a coherent regional economy.

Despite the acquisition of major Pacific territories in Alaska, Hawai'i, and the Philippines, and its emergence as the world's leading industrial power, prior to the Second World War US colonial acquisitions in the Pacific were small compared with those of the leading colonial powers of the era in terms of both territory and population conquered. In the late nineteenth century, Britannia ruled the seas. Between 1870 and 1900, Great Britain added 4.7 million square miles worldwide (more than the total area of the Qing empire), France 3.5 million, and Germany 1 million to their empires. Japan, having quietly annexed Hokkaidō and Okinawa earlier, announced its arrival to the world with decisive military victories over China in 1895, and especially over Russia in 1905, leading to the colonization of Taiwan and Korea. It would continue to face challenges from a Russia (later the Soviet Union) which sought to expand in Mongolia and Manchuria. In the decades after 1895, Japan would place over 1 million square miles under its control in Taiwan, Korea, Micronesia, Manchukuo, and China. By contrast, the United States between 1870 and 1900 added only 125,000 square miles in Hawai'i and the Philippines, and these territories, and the military power

to secure them, were far from being Washington's predominant concern in the decades ahead.<sup>17</sup>

Nevertheless, the simultaneous expansion of Japan and the United States in the half century 1895–1945 would set up the eventual clash of the two most powerful rivals for the Asia-Pacific. In the early decades of the twentieth century, Japan, the only nation of Asia, Africa, or Latin America to join the club of the colonial powers, emerged as the dominant power in East Asia and the challenger to the European-centered colonial order that had ruptured and transformed the region in the nineteenth century.

It is fruitful to compare Japan's approach to regional integration in the years from the First World War through the Asia-Pacific War, when it emerged as the most powerful nation in the region, with that of the eighteenth-century tributary-trade order from three perspectives: first, economic development and social change; second, war, nationalism, and anti-colonialism; and third, regional dynamics and regional ties to the world economy.

Like the Western colonial powers, Japan actively mined the colonies for natural and human resources to spur its own economic growth. At the same time, far more than either the Chinese tributary-trade order or the Western colonial order elsewhere in Asia, Japan fostered colonial agricultural and industrial development, notably in Korea, Taiwan, and Manchukuo, each closely integrated with Japan's agricultural, resource, and industrial requirements. Between the 1920s and 1945, Japan presided over large-scale migration – to Japan (from Korea, Taiwan, and mainland China) and from Japan and its colonies to the farthest reaches of its empire, but above all to Manchukuo in the years 1931–1945.<sup>18</sup> At the same time, Chinese migrants continued their rapid advance throughout Asia and the Americas.

The trade of Manchukuo, Korea, and Taiwan was all dramatically redirected (notably away from China and toward Japan) between the late nineteenth century and the late 1930s. Taiwan's exports to Japan increased from 20 percent of total exports at the time of colonization in 1895 to 88 percent by the late 1930s, with rice and sugar the dominant products.<sup>19</sup> Comparable trade dependence on the metropolis in the late 1930s was similarly notable in the

17 Walter LaFeber, *The American Age: United States Foreign Policy at Home and Abroad Since 1750* (New York: Norton, 1989), p. 213 for US and European colonial figures.

18 Prasenjit Duara, ed., *Decolonization: Perspectives from Now and Then* (London: Routledge, 2004).

19 Samuel Ho, "Colonialism and development: Korea, Taiwan, and Kwantung," in Ramon H. Myers and Mark R. Peattie, eds., *The Japanese Colonial Empire, 1895–1945* (Princeton University Press, 1984), p. 382.

case of Korea.<sup>20</sup> Economic bonds among the colonies, by contrast, remained weak, in part as a result of a lack of complementarities, but above all by imperial design. Like that of the European colonial powers, Japan's spokes-and-wheel trade pattern in Asia precluded the development of trade complementarities or other forms of economic integration among the colonies and dependencies. As Prasenjit Duara emphasizes, it nevertheless paved the way for the postwar developmental state.

In contrast to the Qing empire, imperial Japan directly assimilated colonized and conquered peoples, above all the Koreans, Taiwanese, the multiple peoples of Manchuria (including Mongols, Hui [Muslims], Manchus, and Han), as well as Ainu and Ryūkyūans.<sup>21</sup> The colonized were educated in the language of the conqueror and subjected to intense assimilation as Japanese (or Manchukuo) citizens and subjects, particularly in rapidly growing urban centers. In all these respects, Japan broke sharply with patterns of the tributary-trade order in East Asia. Japan's attempted assimilation of colonized and conquered people, notably in the case of Taiwan, Korea, and Okinawa, went beyond those of European and American colonizers in the degree of assimilation which extended beyond elites to the citizenry writ large.

At its height in the early 1940s, Japan's vast Asia-Pacific empire was an extreme example of regional autarky less by design than by the geopolitics of war. Japan found itself isolated from and denied access to core regions of the world economy dominated by the Allied powers, while simultaneously fighting a costly and debilitating fifteen-year war with China that led to an air and naval battle against the United States and its European allies.<sup>22</sup>

In both the lofty rhetoric of empire and the brutality of the conquest and subjugation of Asian peoples, notably in its war with China but also in battles with rival imperial powers, Japan shared much in common with the Western colonial powers. Features that differentiated the Japanese from Euro-American empires include geography and race. European and American colonialists traveled to the ends of the earth to conquer racially and culturally distinct

20 Anne Booth, "Did it really help to be a Japanese colony? East Asian economic performance in historical perspective," *Asia-Pacific Journal: Japan Focus*, <http://japanfocus.org>, May 7, 2007, table 11.

21 Hui-yu Caroline Ts'ai, *Taiwan in Japan's Empire Building: An Institutional Approach to Colonial Engineering* (London: Routledge, 2009). Given the large number of Chinese and the inability to suppress armed resistance in the years 1937–1945, assimilation of the Chinese was limited.

22 Sven Saaler and J. Victor Koschmann, eds., *Pan-Asianism in Modern Japanese History: Colonialism, Regionalism and Borders* (London: Routledge, 2008); Sven Saaler and Christopher W. A. Szpilman, eds., *Pan-Asianism: A Documentary History*, 2 vols. (Lanham, MD: Rowman & Littlefield, 2011).

peoples. In seeking to subjugate China, Korea, Taiwan, Manchukuo, and Vietnam, and subsequently much of Southeast Asia and India, by contrast, Japan's imperial ideologues highlighted Japanese superiority even as they fought people some of whom (notably Chinese and Koreans) were racially or physically indistinguishable as well as being near neighbors. In China and Korea in particular, those whom Japan sought to subjugate were people whose statecraft, economy, religion, language, and culture had profoundly shaped Japan's historical development over the preceding millennium. This did not, of course, deter Japan from touting Japanese superiority over colonized and subordinated people or brutally suppressing resistance to Japanese rule.

A comparison with European colonialism may clarify several points concerning the nature and consequences of the war that Japan fought against China and then extended to Southeast Asia and the Pacific. Priya Satia observes that "British imaginings about Arabia were circulated in the main by a community of intelligence agents who ventured to the land of the Bible hoping to find spiritual redemption under cover of patriotic duty." This set the stage for analysis of a landmark event in the history of the bombing of civilians, the 1920s British bombing of Iraq. The British bombing of Iraq, and above all the European conduct of the First and Second World Wars in Europe, caution us against assumptions that Japan was uniquely brutal in its treatment of the Chinese in the Sino-Japanese War. It is a reminder that the bombing of civilians began with British, French, and German attacks in the Middle East and Africa long before the Second World War.<sup>23</sup> "Flying in the face of what James Scott has told us about how modern states see," Satia observes of the British, "this regime fetishized local knowledge not as an antidote to but as the foundation of its violent effort to render nomad terrain legible." The deep admiration on the part of many Japanese for Tang poetry and Chinese thought generally no more protected Chinese from Japanese brutality than British awe concerning the Holy Land protected Arab civilians from bombing or their nations from colonization.<sup>24</sup> For Japan, neither racial similarity nor cultural bonds mitigated the onslaught against the Chinese population in a war fought across racial and cultural divides.<sup>25</sup> Indeed, Japan's

23 Yuki Tanaka and Marilyn Young, eds., *Bombing Civilians: A Twentieth-century History* (New York: The New Press, 2009). This excepts bombing of civilians done by German zeppelins (rather than airplanes) in the First World War.

24 Priya Satia, "The defense of inhumanity: air control and the British idea of Arabia," *American Historical Review* 111:1 (2006), 16–51. The author finds it superfluous to remind readers that the same applies to the American war in Iraq eight decades later.

25 John W. Dower, *War Without Mercy: Race and Power in the Pacific War* (New York: Pantheon Books, 1986).



China war between 1931 and 1945 exacted the heaviest toll in lives of all colonial wars – between ten and thirty million Chinese deaths being the best estimates available in the absence of official or authoritative statistics.

Perhaps most striking, in contrast to the protracted peace of eighteenth-century East Asia under the earlier tributary order, was the permanent turmoil that extended across the Asia-Pacific region throughout the century of imperialism and continuing in the wake of the Second World War. The protracted era of colonialism and war left three important legacies for Asian peoples: first, massive dislocation, destruction, and loss of life that were the product of colonial wars, internal rebellions, and world wars; second, the stimulus to nationalist and anti-colonial revolutions, initially as a result of Japan's victory over the Western powers from the Russo-Japanese War to the conquests of 1942, and subsequently Japan's own defeat, which propelled national independence and socialist movements and the formation of new nations in the wake of the Pacific War; third, despite the heavy toll of protracted war, commercialization and industrialization proceeded not only in Japan and its colonies and dependencies, notably Korea, Taiwan, and Manchukuo, but also in core regions of China including the Yangzi and Pearl River delta, with ties to Shanghai and Guangzhou, which established foundations for postwar economic growth in these and other areas throughout the Asia-Pacific.<sup>26</sup>

Historians of multiple persuasions have taken the Second World War as the major watershed of twentieth-century Asian and global geopolitics, as indeed it was in so many ways. It marked the defeat and dismantling of the Japanese empire and the rise of the United States as the dominant superpower and major force in the Asia-Pacific and globally. It also touched off or energized waves of nationalist-inspired revolutionary and independence movements that transformed the political landscape of Asia and the Pacific and beyond. If communist-led revolutions in China, Vietnam, and Korea were landmark events in postwar East Asia, independence movements in the Philippines, Malaysia, the Dutch East Indies, Burma, India, and elsewhere brought profound change to other parts of Asia, signaling the end of the classic colonial empires.

From the perspective of Asian regionalism, however, important continuities spanned the 1945 divide. Far from inaugurating an era of peace, the end of the Second World War touched off a new wave of wars and revolutions in

26 David Faure, *The Rural Economy of Pre-liberation China: Trade Expansion and Peasant Livelihood in Jiangsu and Guangdong, 1870 to 1937* (Oxford University Press, 1989); compare with Loren Brandt, Debin Ma, and Thomas G. Rawski, "From divergence to convergence: reevaluating the history behind China's economic boom," *Journal of Economic Literature* 52:1 (March 2014), 5–44.



which East and Southeast Asia was the primary zone of world conflict throughout the following quarter century. US occupation of Japan and South Korea on the one hand, and the Chinese, Korean, and Vietnamese revolutionary wars on the other, produced a cycle of wars that took an immense toll on Asian lives even as they opened new possibilities for the fractured region. The term “Cold War” is singularly inappropriate for the Asia-Pacific region in the period of protracted, large-scale international wars that differentiated Asia from Europe in the post-Second World War milieu.

The Chinese, Korean, and Vietnamese wars and revolutions – playing out within the purview of US–Soviet conflict and giving rise to divided nations – were decisive events establishing Asia’s division and recasting in the wake of the Second World War. New nations, or nation fragments, established primary relationships with one of the superpowers, the United States or the Soviet Union, forging relationships that were paramount in defining each nation’s international relations and economic prospects in the immediate postwar decades. In short, as in the century of colonialism, in post-colonial Asia bilateral ties to one or other of the great powers were critical, and multilateral intra-Asian linkages largely absent, just as they had been throughout the previous colonial epoch. In this postwar disorder, as had been the case over the preceding century, there was scant room for horizontal linkages among Asian nations or Asian societies. At the same time, the combination of the post-colonial order, US aid, market access, and war contracts for favored allies, and the mobilization of resources by new governments in, for example, the two Chinas, the two Koreas, Hong Kong, and Singapore, spurred economic development in a deeply divided region.

### Complementarity and resurgent regionalism in East Asia, 1970 to the present

The postwar resurgence of East Asia since the 1970s was preceded by the rapid economic recovery and growth of key nations in the course of the era of national independence, war, and division. Japan, its economy buoyed by US–Korean war procurements, by the 1960s was well on its way to becoming the world’s number two leading economy, and it was soon followed by the rise of the Newly Industrializing Economies (Taiwan, Hong Kong, Singapore, and South Korea) prior to China’s sustained double-digit growth in GDP and trade in recent decades. While Japan and the newly industrialized countries (NICs) formed a powerful group within the US-led global economy by the sixties, the opening up of relations between the United States and China from

the 1970s was critical in transforming the possibilities for accelerated growth and region formation.

From the Chinese civil war in the wake of Japan's defeat in the Asia-Pacific War, then on through the US–Korean and US–Vietnam wars, the United States sought to isolate and blockade Chinese Communist forces and from 1950, the People's Republic of China, in each instance with active economic, financial, and rear area support of Japan. The end of China's isolation in 1970 with the US–China rapprochement, China's assumption of a UN Security Council seat, its re-emergence with access to US and global markets, and its eventual position at the center of East–West trade and investment, opened the way to the reknitting of economic and political bonds across Asia and strengthening of Asian linkages with the global economy. Among the critical developments of subsequent decades were China's full engagement in, indeed its emergence as the workplace of the world and an important motor driving, the Asian and world economies, the deepening and/or opening up of Japan–China and South Korea–China relations, and the expansive trade and investment role of overseas Chinese in linking China with Asian and global economies. With the reunification of Vietnam (1975), of Germany (1989), and subsequently of China with Hong Kong (1997) and Macau (1999), only a divided Korea and the China–Taiwan division remained of the major national ruptures that were the legacy of the Second World War and other conflicts. Moreover, the China–Taiwan divide has been sharply reduced since the 1990s with economic interpenetration in the form of trade and investment and myriad Taiwan–China formal and informal exchanges. These profound changes illustrate the interface of geopolitics and political economy both in global (particularly US–China–Europe) and regional (China–Japan–Korea as well as mainland China–Taiwan) terms.

Among the remarkable changes wrought by the opening up of relations between the United States and China from the 1970s has been the emergence and deepening of relations between China and the Republic of Korea: from being an anti-communist Mecca, a South Korea that fought China in the US–Korean War and then in the US–Vietnam War, would emerge from the 1980s as one of China's most important trade and investment partners. Indeed, since 2008, China–South Korea trade has outstripped the combined trade of South Korea with Japan and the United States. By 2009, more than 41,000 Korean enterprises operated in China.<sup>27</sup> If China, South Korea, and Japan

27 "South Korea Main Economic Indicators, 2006," [http://trade.ec.europa.eu/doclib/does/2006/september/tradoc\\_113448.pdf](http://trade.ec.europa.eu/doclib/does/2006/september/tradoc_113448.pdf); Scott Snyder and See-Won Byun, "China–ROK trade disputes and implications for managing security relations," *Korean Economic*

became one another's leading trade and investment partners, surpassing in significant ways their trade with the United States, the US remains a decisive factor in the economics and geopolitics of the region. For example, the bulk of South Korean and Japanese exports to China are high-value-added products that are then exported to US and European markets as smart phones, computers, TV sets, and other electronic products.

Since the 1970s, East Asian economies have steadily narrowed the gap with the world's leading economies. In 2013, by IMF reckoning, the United States ranked first in the world in nominal GDP (US\$16.8 trillion), China second (US\$9.2 trillion), Japan third (US\$4.9 trillion), India tenth (US\$1.9 trillion), South Korea fifteenth (US\$1.2 trillion), Taiwan twenty-fifth (US\$.48 trillion), Vietnam fifty-seventh (US\$.17 trillion), and North Korea 119th (US\$.14 trillion). In that year, measured by purchasing power parity (PPP), the United States ranked first (US\$16.8 trillion), China second (US\$13.4 trillion), India third (US\$5.1 trillion), Japan fifth (US\$4.7 trillion), South Korea twelfth (US\$1.7 trillion), Taiwan twentieth (US\$.9 trillion), Vietnam thirty-sixth (US\$.48 trillion). That is, by the measure of purchasing power parity (as opposed to nominal GDP), China, South Korea, and Taiwan all exhibited much greater strength vis-à-vis the United States and Japan.<sup>28</sup> In per capita GDP terms, of course, China ranks far lower and South Korea and Taiwan far higher than their rankings in PPP terms.<sup>29</sup>

Viewed in nominal per capita terms, the resurgence of East Asia is equally apparent, but the relative strengths of individual nations and regions differ substantially. By IMF reckoning, in 2013 the leading nations and regions included the United States ranked 9th (US\$53,100), Japan 24th (US\$38,500), South Korea 32nd (US\$24,300), and Taiwan 37th (US\$20,900). By contrast, China ranked 83rd (US\$6,700), Vietnam 132nd (US\$1,900), India 140th (US\$1,500), and North Korea 171st (US\$600).

In 2013, in PPP terms, the IMF ranking was the United States 6th (US\$53,100), Taiwan 16th (US\$39,800), Japan 22nd (US\$36,900), South Korea

*Institute Academic Paper Series* 5:8 (September 2010), <http://www.keia.org/Publications/AcademicPaperSeries/2010/APS-Snyder-2010.pdf>.

28 [http://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_GDP\\_%28nominal%29](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_%28nominal%29);

[http://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_GDP\\_%28PPP%29#Lists](http://en.wikipedia.org/wiki/List_of_countries_by_GDP_%28PPP%29#Lists).

PPP provides a better indicator of total economic output, taking into account relative costs and inflation rates of different countries. PPP calculations permit adjustment for cost of living and inflation among countries. By PPP measures, China's performance appears far stronger.

29 [https://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_GDP\\_%28nominal%29](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_%28nominal%29); [https://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_GDP\\_%28PPP%29](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_%28PPP%29). Statistic on North Korea GDP from United Nations.

27th (US\$33,200), China 93rd (US\$9,800), India 133rd (US\$4,100), Vietnam 134th (US\$4,000), and North Korea 167th (US\$2,600).<sup>30</sup> If China has become, in critical ways, the fulcrum of the emerging East Asian regional economy, despite rapid per capita income gains over more than four decades, it continues to lag far behind the most prosperous East Asian nations, whether measured in per capita nominal GDP or PPP terms.

The United Nations Human Development index provides another telling comparative measure of the East Asian resurgence that better indicates the general welfare of the population. The 2013 index is a composite of four measures: life expectancy at birth, mean years of schooling, expected years of schooling, and gross national income per capita. For 2013 the top group of nations included the United States ranked 5th with a composite measure of 0.914, South Korea 15th (0.891), and Japan 17th (0.890), while China was 91st (0.719) in the second group, and Vietnam 121st (0.638), and India 135th (0.586) ranked in the third group.<sup>31</sup> In each of these measures we can chart the resurgence of East Asia compared with the depths to which much of the region had sunk during the earlier era of imperialism.

Another set of issues merits careful attention. Who have been the beneficiaries, who the victims of the resurgence of East Asia etched here? The celebratory literature on the rise of China and/or East Asia characteristically focuses on growth patterns in the realms of trade and investment and ignores the limits of resurgence such as deep internal divisions of wealth and poverty both within and among nations. This phenomenon of rampant and growing income inequalities is taking place across East Asia and the Pacific, but it is particularly notable in China, which but decades earlier was known for high levels of income equality, and the United States. The IMF calculation of the leading economies of East Asia reveals wide differences in per capita GDP (nominal) incomes, spanning a range from the richest nations – Singapore ranked 21st in the world (US\$35,163), Japan, ranked 22nd (US\$34,312), followed by Hong Kong at US\$29,650, Republic of Korea (US\$19,751), and Taiwan (US\$16,606). What particularly merits attention, however, is that, at the other

30 [https://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_GDP\\_%28nominal%29\\_per\\_capita](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_%28nominal%29_per_capita);  
[https://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_GDP\\_%28PPP%29\\_per\\_capita](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_%28PPP%29_per_capita).

Statistic on North Korea per capita GDP in PPP terms is from CIA World Factbook (2013). Statistics rounded to nearest US\$100. North Korea's failure to share in the region's post-1970 economic gains is a direct result of the continuing Korean War, intensified by heavy expenditure for its nuclear program. Six decades after a ceasefire in Korea, there has been no peace treaty and the two Koreas remain divided and hostile while the United States leads the tightening economic blockade of North Korea.

31 <http://hdr.undp.org/en/content/table-2-human-development-index-trends-1980-2013>.

end of the spectrum, as noted above, China and Vietnam had real GDP incomes that were but a fraction of those of Asia's most prosperous nations, and even of their own GDP measured in PPP terms. These more modest incomes and their corollary, the fact that large portions of the population still live in dire poverty, are indicative of the limits of the growth that has been so widely celebrated. We can view this through another lens: China has in recent years produced scores of billionaires ranking in the Fortune 500 while that nation's per capita incomes remain low. The list of countries at the low end of the per capita income spectrum also includes Laos, Burma, Timor-Leste (East Timor), and North Korea among others. By this critical measure, Asia is deeply bifurcated, including some of the world's poorest countries, regions, and sectors (the countryside, minority regions) in the wake of decades of rapid growth.

These developments in industrialization, trade, income, and well-being reflect important geopolitical shifts of recent decades. Consider the trade, investment, and technological partnership that links the Republic of China on Taiwan and the People's Republic of China on the mainland, the two claimants to rule China in the course of civil strife over nearly a century. In less than two decades, the core of Taiwan's high-tech production migrated across the Straits. Taiwanese capital and technology are central to China's industrialization and export drive.<sup>32</sup> The Taiwan-based Foxconn, with 1.4 million industrial workers producing electronic products for Apple, Microsoft, Samsung, Sony, Nokia, and other international giants at numerous locations, is China's, and one of the world's, leading industrial employers. The electronics industry illustrates how international capital, in this case US, Japanese, South Korean, European, and Taiwanese enterprises, dominate and secure the major profits from production in China, while the shares of Chinese labor and enterprises are much smaller. Nevertheless, the relations are symbiotic. Taiwan's economic future rests firmly on the performance of mainland industry, its exports, and the expansion of China's domestic market. With both China and Taiwan entering the WTO in 2001 (the latter, with PRC support, as Chinese-Taipei), China swiftly became Taiwan's leading trade partner and Taiwan enterprises facilitated China's emergence as a leading industrial power.<sup>33</sup> Particularly notable is the economic

32 Yu Zhou, *The Inside Story of China's High-Tech Industry: Making Silicon Valley in Beijing* (Lanham, MD: Rowman & Littlefield, 2008).

33 Yu-huay Sun and Eugene Tang, "Taiwan, China start direct links as relations improve," *Bloomberg*, December 15, 2008, [www.bloomberg.com/apps/news?pid=20601080%026sid=aeoan51P.sBg%026refer=asia](http://www.bloomberg.com/apps/news?pid=20601080%026sid=aeoan51P.sBg%026refer=asia); Jonathan Manthorpe, "China-Taiwan trade agreements complex as shared history," *Vancouver Sun*, May 28, 2012, [www.vancouver.sun.com/business/China%0BrTaiwan%0Btrade%0Btrade%0Bcomplex%0Bshared%0Bhistory/6688830/story](http://www.vancouver.sun.com/business/China%0BrTaiwan%0Btrade%0Btrade%0Bcomplex%0Bshared%0Bhistory/6688830/story).

interpenetration of China and Taiwan facilitated by a worldwide Chinese diaspora linking the two and creating economic and financial ties to Southeast Asia, the US, Europe, and beyond. Nevertheless, competing Chinese nationalisms, as well as Taiwanese nationalism, remain in play even as attempts are made to overcome political divisions through appeals to common goals based in culture and economic interests.

As multilateral intra-Asian trade and investment deepened from the 1970s, so too did the region's ties to Europe and the United States. Trade between the East Asian trade surplus nations and the United States, the world's leading trade deficit nation, presently comprises one of the signature patterns of the contemporary world economic order. The enormous surpluses generated by China, Japan, and South Korea account for the largest part of the massive US trade deficit, and in turn, these nations have made it possible for the United States to continue to live beyond its means as dollar surpluses are recycled back to the United States, primarily in the form of Treasury bonds, but also as direct and indirect investment. Here we see a major role of East Asia's dominant economies in the world economy, one linking East Asian nations across the Pacific to the US and making possible US financial supremacy despite chronic trade deficits. As of April 2014, China was the world leader in holdings of US Treasuries with US\$1.26 trillion, just ahead of Japan with US\$1.21 trillion.<sup>34</sup> In May 2011, the United States underlined China's importance in stabilizing the dollar by allowing it to bypass Wall Street and directly purchase US government debt, the first such special arrangement with any government. In addition to being the largest exporter to the United States, China also has the world's largest trade surplus.<sup>35</sup> In short, China's resurgence as an economic power has rested on symbiosis with the United States and deepening economic ties with many Asia-Pacific and other nations.

Chinese, Japanese, and South Korean purchases of treasury bonds have helped to hold down US interest rates and the yuan-dollar and yen-dollar ratio, boosting the trade and growth of all four economies, and making it possible for the United States to finance the Iraq, Afghanistan, and other wars at the same time that US manufacturing jobs continued their inexorable

html; Michael Roberge, "China-Taiwan relations," Council on Foreign Relations (Backgrounder), August 11, 2009, [www.cfr.org/publication/9223/chinataiwan\\_relations.html#p4](http://www.cfr.org/publication/9223/chinataiwan_relations.html#p4); Manoj Yadav, "International trade in Taiwan and Taiwan China trade relations," Suite 101.com, May 11, 2010 [www.suite101.com/content/international-trade-in-taiwan-and-taiwan-china-relationship-a236159](http://www.suite101.com/content/international-trade-in-taiwan-and-taiwan-china-relationship-a236159).

34 "Major Foreign Holders of Treasury Securities," [www.treasury.gov/ticdata/Publish/mfh.txt](http://www.treasury.gov/ticdata/Publish/mfh.txt).

35 Emily Flitter, "Exclusive: U.S. lets China bypass Wall Street for treasury orders," Reuters, May 21, 2012, [www.reuters.com/article/2012/05/21/us-usa-treasuries-china-idUSBRE84K11720120521](http://www.reuters.com/article/2012/05/21/us-usa-treasuries-china-idUSBRE84K11720120521).

move to China and elsewhere.<sup>36</sup> China's emergence as an industrial center has not occurred at the expense of the international corporate giants such as Apple, Samsung, and Sony, whose goods are produced in China and exported to Europe and North America through Walmart and other giants. Rather, the multinational corporations retain primacy even as manufacturing jobs move from the United States, Japan, and South Korea as well as Germany to China, and as China also becomes a major market for products ranging from capital equipment to smartphones to cars and raw materials.

China's re-entry in the world economy and the formation of a dynamic interconnected East Asian economic zone from the 1970s, coincided with and was made possible by two major developments of global significance. First, with US–China rapprochement and the subsequent collapse of the Soviet empire, the primary global war zone, whose greatest intensity had been in East Asia in the decades beginning in the 1940s – the Pacific War followed by Chinese, Korean, and Indochinese revolutionary wars, as well as independence struggles in the Philippines, Malaysia, and the Dutch East Indies – would shift from East Asia following the US defeat in Vietnam. Since 1975 the epicenter of global warfare has been the Middle East and Central Asia and it continues to be so in the new millennium.<sup>37</sup> If intra-Asian politics remains contentious, the growth and deepening of the Asian regional economy since the 1970s has taken place in the midst of a general peace and widening cultural and economic exchange.<sup>38</sup> The most dangerous conflict in East Asia remains the unresolved Korean War and the continued division of Korea. But territorial conflicts have also surfaced between China and Japan (Diaoyutai/Senkaku islands), between Japan and Korea (Takeshima/Dokdo islands), and between China on the one

36 Mark Landler, "Dollar shift: Chinese pockets filled as Americans' emptied," *The New York Times*, December 25, 2008, [www.nytimes.com/2008/12/26/world/asia/26addiction.html?pagewanted=1%26th%26mc=th](http://www.nytimes.com/2008/12/26/world/asia/26addiction.html?pagewanted=1%26th%26mc=th); R. Taggart Murphy, "Asia and the meltdown of American finance," [http://japanfocus.org/\\_R\\_Taggart\\_Murphy-Asia\\_and\\_the\\_Meltdown\\_of\\_American\\_Finance](http://japanfocus.org/_R_Taggart_Murphy-Asia_and_the_Meltdown_of_American_Finance); Kosuke Takahashi and R. Taggart Murphy, "The US and the temptation of dollar seignorage," [http://japanfocus.org/\\_K\\_Takahashi\\_R\\_T\\_Murphy-The\\_US\\_and\\_the\\_Temptation\\_of\\_Dollar\\_Seignorage](http://japanfocus.org/_K_Takahashi_R_T_Murphy-The_US_and_the_Temptation_of_Dollar_Seignorage); James Fallows, "Be nice to the countries that lend you money," *Atlantic Monthly*, December 2008, [www.theatlantic.com/doc/200812/fallows-chinese-banker](http://www.theatlantic.com/doc/200812/fallows-chinese-banker).

37 The shift to Central Asia and the Middle East certainly seems correct pertaining to American wars, which have been and remain decisive in shaping hegemonic outcomes, but other military conflicts of course continued in Africa and Latin America and the Caribbean.

38 This is not to suggest that rapid economic growth can only occur in a peaceful milieu. Japan's post-Second World War recovery and economic growth was in part a product of an industrialization fostered by the United States as a means to support the Korean and Vietnam Wars. Japan's gain was bought at the price of devastation of Korea and Indochina.



hand and Vietnam and the Philippines among others over the South China Sea. Each of these has the potential to destabilize the region.

A comparison to the colonial era in general, and particularly to a succession of Japanese imperial projects in Eastern Asia from 1931 to 1945 is instructive. First, while Sugihara and others have documented the relatively robust growth of trade in East Asia in the years 1890–1937 and during the early postwar years, this trade was overwhelmingly with the metropolis. By comparison, we note the extraordinarily rapid multi-directional flow of trade and investment among Asian countries in recent decades centered on China, Japan, South Korea, Hong Kong, Singapore, and Taiwan. In the years 1988–2004, as world trade expanded at an annual rate of 9.5 percent, intra-East Asian trade grew at 14 percent per year as East Asia's share of world exports increased by 6 percent. Intra-Asian trade accounted for US\$6 trillion dollars in exports in 2012, 25 percent of total exports and rising. The trade with China of the ASEAN nations rose from 26 percent to 37 percent between 2000 and 2013, while that with the United States fell from 20 percent in 2000 to 10 percent in 2011.<sup>39</sup> By 2010, China had become the leading trade partner of virtually every Asian nation.

Among the historical and contemporary factors facilitating rapid region-wide economic development, industrialization, substantial growth in per capita income, and the formation of a vibrant multi-directional East Asian regional economy, the following seem particularly important:

- The legacy of East Asian human capital, economic and political strengths examined earlier in the epoch of Chinese pre-eminence, protracted peace, and the high levels of development of labor-intensive agriculture, education, and the regional tributary-trade order of the eighteenth century and earlier. These legacies would provide foundations for subsequent development at a time when the resurgence of Chinese economic strength would enable it to emerge at the center of a vibrant East Asian economy.
- The role of the Chinese, Japanese, and Korean diasporas, whose rapid expansion throughout the Asia-Pacific from the nineteenth century forward, extending to North America, Europe, and beyond, would prove central in re-linking intra-Asian and world economies through trade, technology, communication, and investment networks.

39 Douglas H. Brooks and Changchun Hua, "Asian trade and global linkages," *ADB Institute Working Paper* 122 (December 2008); "Intra-regional trade of major regions (1988–2007)," fig. 6, p. 10; "Tapping into Asian trade," *Trade Finance Magazine*, July 17, 2013, [www.tradefinancemagazine.com/Article/3232494/Tapping-intra-Asia-trade-flows.html](http://www.tradefinancemagazine.com/Article/3232494/Tapping-intra-Asia-trade-flows.html).



- Early postwar developmental and social change strategies throughout East Asia predicated on state-led accumulation and investment resting on foundations of egalitarian land reform and promotion of universal education and effective public health programs. These strengths, widely associated with China, were in fact shared with Japan, North and South Korea, and Taiwan. Simultaneously, the states implemented measures that blocked takeover of domestic industry by international capital while creating firm foundations for domestic industry in contrast to many post-colonial areas. These approaches made possible the creation of firm developmental foundations across the communist–capitalist divide that would be strengthened from the 1970s.
- The economic reknitting of the region in the wake of a century of war, finally bridging the divide that we have traced to the era of colonialism and disintegration. One important factor fostering integration has been Chinese construction of roads, railroads, and dams along and across its borders with fourteen nations, but it has also stoked fears of Chinese domination and environmental destruction. In July 2014 China established a won–yuan direct currency exchange that will accelerate the large trade with South Korea. This follows on direct exchange agreements between China and Australia, New Zealand, the United Kingdom, the United States, France, Germany, and others as the Chinese yuan moves toward becoming an international currency.<sup>40</sup>

If intra-Asian factors are of primary importance, the resurgence of East Asia *as a region* has been shaped by global factors, notably the opening up of relations between the United States and China since the 1970s, which made it possible to bridge the divide created during the Korean War and to facilitate East Asia's, and above all China's, rapid advance in the world economy.

As China gained economic strength and experience in world forums from the UN Security Council (1971) to the World Trade Organization (2001), it has spearheaded a number of regional geopolitical initiatives directed toward regional solutions: these include leadership in brokering the Six-Party Talks, beginning in 2003, centered on resolving (to date unsuccessfully) issues of

40 Jiyeun Lee, "South Korea, China to discuss starting direct won-yuan exchange," *Bloomberg*, July 2, 2014, [www.bloomberg.com/news/2014-07-02/south-korea-china-to-discuss-starting-direct-won-yuan-trading.html](http://www.bloomberg.com/news/2014-07-02/south-korea-china-to-discuss-starting-direct-won-yuan-trading.html); "Korea–China agree on won-yuan direct exchange market worth 13.5 trillion won," *Business Korea*, July 4, 2014, [www.businesskorea.co.kr/article/5307/korea-china-summit-korea-china-agree-won-yuan-direct-exchange-market-worth-135-trillion](http://www.businesskorea.co.kr/article/5307/korea-china-summit-korea-china-agree-won-yuan-direct-exchange-market-worth-135-trillion); Xinhua, "Bocom selected to clear yuan in S. Korea," *SinaEnglish*, July 5, 2014, <http://english.sina.com/china/2014/0704/715577.html>.

North Korean nuclear weapons and the ongoing US–Korean war; efforts to bring about an ASEAN+3 arrangement involving China, Japan, and Korea to unify East and Southeast Asia (from 2001); agreement on an ASEAN–China Free Trade Area (2010); and the formation of the Shanghai Cooperation Organization (2001) with China and Russia at its center and including former Soviet states, with discussion underway in 2014 to expand the organization to include India, Iran, and Mongolia.<sup>41</sup>

In the new millennium, East Asian nations have taken steps toward interregional co-operation in numerous areas including economic and financial security, nuclear non-proliferation, resource management, fishing, counter-terrorism, drug smuggling, piracy, human trafficking, organized crime control, disaster relief, environmental degradation, and container security. In contrast to China's centrality in the tributary-trade order of the eighteenth century, Southeast Asian nations, through ASEAN, have played an important proactive role in the emerging regionalism in the new millennium, as in constructing a free trade area. Nevertheless, institutional ties among Asian nations long divided by their locations in disparate colonial empires followed by "Cold War" divisions deepened by hot wars in China, Korea, and Indochina, have been and remain of a very different order from those of the European Union. There is no East Asian Union, no common currency comparable to the Euro, no parliament or high court, and no freedom of migration. In particular, we find no regionwide military equivalent of the NATO alliance. East Asian regionalism will chart its own distinctive course. Regional initiatives can, moreover, be derailed by contentious territorial and historical memory disputes that divide many nations and lead to war.

In the early postwar decades, Japan promoted major regional projects in the realms of finance, trade, and summitry, notably the founding and leadership of the Asian Development Bank in the 1960s, while operating within the framework of American power.<sup>42</sup> With Japan no longer the leader in East Asian trade or in advancing major regionalism projects despite its economic importance, it has virtually disappeared from much analysis of Asian regionalism and global geopolitics. Japan nevertheless remains a regional player of significance.

Japan's relative decline in regional/global perspective is a product of three interrelated factors. First is the surge in China's economic and financial strength over the last two decades, while Japan's economy has not regained

41 M. K. Bhadrakumar, "Modi leads India to the Silk Road," August 7, 2014, [www.rediff.com/news/column/modi-leads-india-to-the-silk-road/20140807.htm](http://www.rediff.com/news/column/modi-leads-india-to-the-silk-road/20140807.htm).

42 Shintaro Hamanaka, *Asian Regionalism and Japan: The Politics of Membership in Regional Diplomatic, Financial and Trade groups* (London: Routledge, 2009), p. 6.

comparable momentum in the following decades since the bursting of the bubble in 1991. Second is Japan's failure to exercise regional leadership in an emerging Asia. Third, Japan's future remains firmly bound by an American embrace rooted in the US–Japan security alliance, which leaves little room for independent Japanese initiatives. At the heart of the relationship are the primary US–Japan economic and security ties, reliance on the US nuclear umbrella, the stationing (at Japanese expense) of US forces on the Japanese mainland and (especially) on Okinawa, and the unquestioning provision of Japanese financial and logistical support for all US wars from the Korean War to those in Iraq, Afghanistan, and the Persian Gulf today. In short, rather than capitalizing on the resurgence of East Asian economies, Japan has remained locked in the American embrace and preoccupied with US wars and geostrategic priorities. Nevertheless, it is important to recognize that for all its extraordinary growth and dynamism, China is at best a middle-income country with enormous pockets of poverty that faces immense environmental constraints on economic growth and problems of internal instability manifested in rising social protest.

Our discussion has emphasized the interplay between the dynamism of East Asian economies and their growing economic integration since the 1970s. Yet even as a dynamic and more integrated East Asian economy emerged in the wake of the US–China opening up and the American defeat in the Indochina Wars, new geopolitical tensions emerged. We can trace the eruption of territorial conflicts in the second decade of the new millennium to four factors: (1) unresolved legacies of the colonial era and the Asia-Pacific War, particularly conflicts between Japan and Korea, and between Japan and China; (2) issues associated with the 1952 San Francisco Peace Treaty system (SFPT) in which the United States established the territorial regime of the postwar Asia-Pacific while leaving unresolved contentious insular disputes; (3) the discovery in the late 1960s of oil, natural gas, and mineral deposits in the East China and South China Seas; and (4) the outcomes of the United Nations Convention on the Law of the Sea in 1982, which touched off a global race to secure island territories and extend the Exclusive Economic Zones of nations. Four ongoing territorial conflicts that have shown the potential to produce large clashes involve small, largely uninhabited islands.<sup>43</sup> These are:

43 These are by no means the only territorial conflicts. They are chosen to illustrate both conflicts that have come to the fore in the new millennium and a particular type of insular conflict which, in principle, should be relatively easy to resolve . . . or would in the absence of nationalism. See Kimie Hara, *Cold War Frontiers in the Asia-Pacific: Divided Territories in*

- The PRC, ROC, and Japan: Senkaku/Diaoyu islets in the East China Sea with Japan holding effective control;
- Japan and Korea: Dokdo/Takeshima in the East Sea/Japan Sea with Korea holding effective control;
- Japan and Russia: Southern Kurile Islands/Northern Territories in the Sea of Okhotsk, four contested islands with Russia holding effective control;
- The PRC and Vietnam/the Philippines, among others in the South China Sea including the Spratly Islands, the Paracel Islands and Scarborough Shoals, each claimed by multiple nations.

In each of these flashpoints the United States has played a critical role, from the framing of the San Francisco Treaty to the present, though it makes no territorial claim in the contested areas. In recent years, not least in response to these disputes, the Obama administration has sought to implement the preliminary stages of a “Pivot to Asia” that is clearly directed at countering China’s geopolitical challenge. This has involved reaffirming and strengthening the position of the United States as the major ally and treaty partner of Japan, Korea, Australia, and the Philippines, even extending US support to Vietnam; strengthening the already formidable US military position resting on a network of bases as well as overwhelming naval, air, and nuclear supremacy in the Western Pacific; and, in the Senkaku dispute, directly challenging the PRC on behalf of a US ally, Japan.

The result of these clashes, particularly the Senkaku dispute involving the PRC and the ROC on the one hand, and Japan on the other, and conflicts involving expansive PRC territorial claims in the South China Sea over territory, boundaries, and oil, have raised the specter of war as the proponents in each case move to strengthen their military posture and seek international, particularly US, support in the case of Japan, South Korea, the Philippines, and Vietnam. To date, none of the issues has precipitated

*the San Francisco System* (London: Routledge, 2007); John W. Dower, “The San Francisco system: past, present, future in U.S.–Japan–China relations,” *Asia-Pacific Journal* 12:8:2 (February 24, 2014), [http://japanfocus.org/-John\\_W\\_Dower/4079](http://japanfocus.org/-John_W_Dower/4079). See also Kimie Hara, ed., *The San Francisco System and its Legacies: Continuation, Transformation and Historical Reconciliation in the Asia-Pacific* (London: Routledge, 2015); Reinhard Drifte, “The Japan–China confrontation over the Senkaku/Diaoyu Islands – between ‘shelving’ and ‘dispute escalation,’” *Asia-Pacific Journal* 12:29:2 (July 28, 2014); Mark Selden, “Economic nationalism and regionalism in contemporary East Asia,” *Asia-Pacific Journal* 10:43:2 (October 29, 2012), <http://japanfocus.org/-Mark-Selden/3848>.

wars, but they are emblematic of a major shift in the political economy and geopolitics of the region at a time of growing Chinese strength and continued US preoccupation with multiple wars in the Middle East and Central Asia.

A critical question concerns the nature and power of the United States in East Asia and the Asia Pacific. David Shambaugh has noted the preponderance of the “US-led security architecture across Asia. This system includes five bilateral alliances in East Asia; non-allied security partnerships in Southeast Asia, South Asia, and Oceania; a buildup of US forces in the Pacific; new US–India and US–Pakistan military relations; and the US military presence and defense arrangements in Southwest and Central Asia.”<sup>44</sup> That formulation can be supplemented by recognizing the importance of multiple US military bases throughout the region and beyond, the US militarization of space where it has a virtual monopoly, its dominance in the realm of high-tech weaponry from nuclear weapons to drones, and the expansive conception of the US–Japan Security Treaty which has led Japan to extend its military reach to the Indian Ocean, to explore security arrangements with India and Australia at a time of growing tensions with China.<sup>45</sup> Whereas the United States possesses far and away the world’s most powerful military arsenal, multiple Pacific bases, security treaties and alliances, and military budgets greater than those of the combined totals of all possible rivals, neither China nor any other Asia-Pacific nation or bloc has a comprehensive security structure that could counter it. Yet even as the United States seeks to cut back on costly wars in Iraq and Afghanistan, a series of other Middle East and Central Asian wars – notably in Syria, Libya, Pakistan, Israel/Palestine, and Iran – continue to beckon. If China is emerging as the only significant potential geopolitical challenger to the United States in the long run, it presently and for years to come lacks the economic or geopolitical power to challenge the United States on a world scale. On the other hand, crises in the East China and South China Seas suggest that China, for the first time in more than a century, may be poised to play a significant geopolitical role in

44 David Shambaugh, “China engages Asia: reshaping the regional order,” *International Security* 29:3 (2004), 64–99.

45 Peter J. Katzenstein, “Japan in the American Imperium: rethinking security,” [http://japanfocus.org/\\_Peter\\_J\\_Katzenstein-Japan\\_in\\_the\\_American\\_Imperium\\_Rethinking\\_Security](http://japanfocus.org/_Peter_J_Katzenstein-Japan_in_the_American_Imperium_Rethinking_Security); Richard Tanter, “The maritime self-defence force mission in the Indian Ocean: Afghanistan, NATO and Japan’s political impasse,” [http://japanfocus.org/\\_Richard\\_Tanter-The\\_Maritime\\_Self\\_Defence\\_Force\\_Mission\\_in\\_the\\_Indian\\_Ocean\\_Afghanistan\\_NATO\\_and\\_Japan\\_s\\_Political\\_Impasse](http://japanfocus.org/_Richard_Tanter-The_Maritime_Self_Defence_Force_Mission_in_the_Indian_Ocean_Afghanistan_NATO_and_Japan_s_Political_Impasse); Mel Gurtov, “Reconciling Japan and China,” [http://japanfocus.org/\\_Mel\\_Gurtov-Reconciling\\_Japan\\_and\\_China](http://japanfocus.org/_Mel_Gurtov-Reconciling_Japan_and_China); Gavan McCormack, “‘Conservatism’ and ‘Nationalism’: the Japan puzzle,” [http://japanfocus.org/\\_Gavan\\_McCormack-Conservatism\\_and\\_Nationalism\\_The\\_Japan\\_Puzzle](http://japanfocus.org/_Gavan_McCormack-Conservatism_and_Nationalism_The_Japan_Puzzle).

areas close to its borders, and to challenge the postwar regional order crafted by the United States. These are areas that coincide with the parameters of the earlier China-centered tributary-trade system, but the nature of the international relations of the area in the future can be expected to rest on quite different principles.

## Conclusion

The combination of deepening intra-regional economic, financial, transportation and communication, and cultural bonds in the world's most dynamic economic zone, together with regionwide efforts that have begun to confront acute environmental, territorial, and security issues, suggests possible futures compatible with reduced US- and US-Japan-dominated dynamics and momentum toward expanded regional co-ordination. If, that is, growing geopolitical conflicts associated with the resurgence of Chinese power and the divisive consequences of both the San Francisco Peace Treaty system, UNCLOS, and unresolved legacies of divided nations (Korea and China/Taiwan), as well as historical memory issues that pit Japan against her neighbors over unresolved issues that are the legacy of the epoch of colonialism and war, can be overcome.

Does the earlier Pax Sinica offer insights into the possibilities for regional harmony or hegemony in a period of peace in East Asia in the new millennium? It was, of course, a hierarchical model predicated on a China-centered order, yet one that was far less intrusive than the colonial order that followed. At its height in the eighteenth century, large parts of East Asia enjoyed an era of protracted peace and relative prosperity in core areas, fueled in part by exchange through tributary-trade bonds and a favorable position in world trade networks. Yet it was also in the eighteenth century that China expanded its territory through conquest of its Western and Northern periphery. Both the subsequent colonial models, including the Japanese empire, and US-centered models, for all their dynamism, proved incapable of ending endemic war or creating effective regional bonds. Each prioritized bilateral relations with the metropolitan power during epochs of permanent warfare. If the emergence of wide-ranging and deep mutual economic relations across East Asia, including but not limited to the greater China constellation comprised of both China and the Chinese diaspora, provides foundations for a new regional order, China will surely be central to it. In contrast to the eighteenth century, however, after decades of high-speed growth, China remains far behind such major competitors as Japan and the United States in its level of

development as measured by per capita income. Equally important are China's deep developmental and socio-political problems, including severe environmental constraints, internal divisions of region, ethnicity, and class, and authoritarian rule.<sup>46</sup> China's continued dramatic rise is far from assured. In the second decade of the new millennium, China has emerged as a global actor in economic and geopolitical terms and especially a major regional force in the Asia-Pacific, a nation which may be poised to challenge the US-dominated geopolitical status quo in the region and to attempt to build an Asia-centric regional order with China once again at the center. In contrast to realist international relations analysts such as John Mearsheimer, who project the emergence of a hegemonic China in East Asia based on assumptions about China's economic growth, a more likely prospect is a regional order in which the pace of development overall, and China's development in particular, slows, the United States remains a major regional player, and no single nation reigns supreme.<sup>47</sup>

Our discussion has centered on the logic and limits of Asian regionalism in three epochs. The present conjuncture, however, suggests one other important theme that differentiates the new millennium in the Asia-Pacific not only from the Pax Sinica of the eighteenth century and the attempt to build a Pax Nipponica of the first half of the twentieth century, but also the US effort to create a Pax Americana in the wake of the Asia-Pacific War. In both of the earlier epochs, East Asia was embedded in the global economy, yet the geopolitical reach of its dominant powers remained centered in East Asia. In the new millennium, both China and Japan are exploring possibilities of promoting the global reach of their economies and geopolitical footprints, as exemplified by China's deep engagement in Africa, the extension of Chinese and Japanese naval power to the Middle East and the African coast, the global search by both nations for critical energy resources, their heavy stakes in the US and European economies, and their direct clash over territorial and leadership issues. Less noted, but of potentially profound significance, is the fact that both nations embarked on ambitious programs of renewable

46 On the environmental obstacles to China's continued rise, see Paul Harris, ed., *Confronting Environmental Change in East and Southeast Asia: Eco-politics, Foreign Policy, and Sustainable Development* (Tokyo: United Nations University Press, 2005); Robert Marks, *China: Its Environment and History* (Lanham, MD: Rowman & Littlefield, 2011).

47 John Mearsheimer, *The Tragedy of Great Power Politics* (New York: Norton, 2001), p. 402. This is Mearsheimer's assumption about a China which succeeds in extending its developmental drive to become a wealthy nation. See Mark Beeson's astute discussion of hegemony in postwar East Asia, "Hegemonic transition in East Asia? The dynamics of Chinese and American power," *Review of International Studies* 35 (2009), 95–112.



energy (China) and smart cities (Japan) that address the global crisis which will shape future developmental possibilities. Both China and Japan are each, in their own ways, eyeing wider global geopolitical roles at a time when the G2 relationship between the United States and China has become the world's most important bilateral bond but is also among the most contentious. Stated differently, if China and the East Asia region continue their expansive trajectories, the United States, with the world's most powerful military, will find it difficult to maintain primacy in the region, yet China is also likely to experience growing tensions with its Asian neighbors.

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