

CHAPTER 1

INTRODUCTION

A. Significance of the Issue

Regionalism¹ is predominantly a post-Second World War phenomenon. In the 1950s and 1960s, regionalism was seen as an important strategy for achieving security, peace, development, and welfare. This first wave of regionalism was often imposed from outside and above in accordance with the bipolar structure of the Cold War. It was also linked to the interests of hegemonic regionalism. Regionalism had specific objectives and contents; for instance, it only concerned relations between formally sovereign states.²

Interests in regionalism diminished in the late 1960s and early 1970s because of the emergence of globalization. The second wave of regionalism, so called ‘new regionalism’, refers to a phenomenon, still in the making, that began in the mid-

¹ **Regionalism** is a state-led or states led project designed to reorganize a particular regional space along defined economic and political lines. Regionalism represents the body of ideas, values and concrete objectives aimed at creating, maintaining or modifying the provision of security and wealth, peace and development within a region: the urge by any set of actors of reorganize along a particular regional space. It is one of the components of all regionalization processes. **Regionalization** implies an activist element and denotes the (empirical) process, which can be defined as a process of change from relative heterogeneity and lack of cooperation towards increased cooperation, integration, convergence, coherence and identity in a variety of fields such as culture, security, economic development and politics within a given geographical space. See Michael Schulz, Fredrik Söderbaum, and Joakim Öjendal, eds., “A Framework for Understanding Regionalization,” in *Regionalization in a Globalizing World: A Comparative Perspective on Forms, Actors and Processes* (London and New York: Zed Books, 2001), pp. 5-7. See also A. Gamble and A. Payne, eds., *Regionalism and World Order* (London: Macmillan, 1996).

² Schulz et al., pp. 3-5. See also M. Boas, M. Marchand, and T. Shaw, eds., “New Regionalisms in the New Millennium,” *Third World Quarterly* 20, no. 5 (October, 1999); Björn Hettne, Andras Inotai, and Osvaldo Sunkel, eds., *Globalism and the new regionalism* (London: Macmillan Press, 1999); Björn Hettne and Fredrik Söderbaum, “The New Regionalism Approach,” *Politeia* 17, no. 3 (1998); Louise Fawcett and Andrew Hurrell, eds., *Regionalism in World Politics: Regional Organization and International Order* (Oxford: Oxford University Press, 1995); T. Grugel and W. Hout, *Regionalism Across the North-South Divide: State Strategies and Globalization* (London: Routledge, 1999); G. Hook and I. Kearns, *Subregionalism and World Order* (London: Macmillan, 1999); and Gamble and Payne (1996).

1980s. The term first appeared in Europe with the White Paper and the Single European Act (SEA), and gradually gained worldwide usage. The current trend towards regionalism is a more spontaneous process emerging from below and from within the region itself. It is a heterogeneous, comprehensive, multidimensional phenomenon that involves state, market and social actors.³ Indeed, this new regionalism is the expression of a common sense of identity⁴ and purpose combined with the creation and implementation of institutions within a geographical region. It represents transnational formations which express a regional identity rather than the typical nationalism.⁵

European regionalism is a well-acknowledged phenomenon. In its first phase, regional cooperation⁶ in Europe comprised both self-established organizations such as the Council of Europe (COE), the Benelux, and the Western European Union (WEU); whereas the United States controls the North Atlantic Treaty Organization (NATO), the Organization for European Economic Cooperation (OEEC), and the Organization for Economic Cooperation and Development (OECD). Those arrangements are forms

³ Schulz et al., pp. 3-5. See also Hettne, et al. (1999) and Björn Hettne and Andras Inotai, eds., *The New Regionalism-Implications for Global Development and International Security* (Helsinki: UNU/WIDER, 1994).

⁴ Regional Identity is a contested concept. It plays a much more significant role in the new regionalism than in the old. It is evident that many parts of the world have seen a marked increase in regional awareness and regional identity. This shared perception of belonging to a particular community can be explained by internal (domestic and regional) as well as external (global) factors as responses to the 'Other'. To a certain extent, all regions are 'imagined', subjectively defined and cognitively constructed. There is also an inherent 'sameness' in many regions shaped by pre-Westphalian empires and civilizations. In order to be successful in the long run, it seems that sustainable regionalization necessitates a certain degree of compatibility of culture, identity and fundamental values. We do not know how strong these enlarged 'imagined communities' and cognitive regions are, or how much internal crisis and resurgent nationalism they can withstand. It could also be the case; however, that regional identity can mutually reinforce national/ethnic identities. See Schulz et al., p. 20.

⁵ Björn Hettne, "Global Market versus Regionalism," in *The Global Transformations Reader: An Introduction to the Globalization Debate*, eds. David Held and Anthony McGrew (Malden: Polity Press, 2000), p. 157. Hettne calls this 'extended nationalism' the 'new regionalism'.

⁶ Regional cooperation can be defined as an open-ended process whereby individual states or other actors within a given geographical area act together for mutual benefit in certain fields and in order to solve common tasks, in spite of conflicting interests in other fields of activity. It may be formal and involve a high degree of institutionalization, but may also be based on a much looser structure. It constitutes one component of all regionalization processes. Schulz et al., pp. 19-20.

of intergovernmental cooperation.⁷

The 1951 Treaty of Paris started a process of regional integration⁸ through a new set of institutions, such as the European Coal and Steel Community (ECSC). Since then, many other institutions have been established. In the mid-1980s, the European Community (EC) embarked upon a new and vigorous phase of integration based upon renewed regionalism in Europe. The transition from the European Economic Community (EEC) to the EC and then to the European Union (EU) in 1992 is a notable event in the emerging new international order. This has produced new approaches to the study of the EU integration, such as intergovernmentalism and supranationalism.

Created a supranational body in the early 1950s, the EU is a hybrid system. For instance, the ECSC delegated the regulation of coal and steel production in the member states to the authorities of a supranational institution – institutions that have independent decision-making authority and the ability to impose certain decisions and rules on member states. At the same time, sovereignty still rests with the EU's member states, although it may be in the states' interests to share sovereignty and to delegate it to European institutions. Intergovernmental cooperation – the simplest method of state-to-state cooperation – has been present throughout the process.

The realization of this complex yet successful organization has led others in the world to form their own regional treaties and alliances, such as the North American Free Trade Agreement (NAFTA) established under American leadership in 1994.⁹ In Latin America, two examples of regional economic integration are the Latin

⁷ This paper tends to use the 'European cooperation' referring to European arrangements which are in forms of intergovernmental cooperation (non-EU). Also, the paper uses the term 'European integration' referring to the EU only.

⁸ In its conventional usage, regional integration refers to a deeper process than regional cooperation. Basically, integration means forming parts into a whole. As Nye points out, the concept can be broken down into economic integration (formation of a transnational economy, often reductionistically referred to as negative integration); political integration (formation of a transnational political system, often referring to a minimum degree of transfer of sovereignty or functions to supranational organs); and social integration (formation of a transnational society). Regional cooperation may or may not form part of the process of regional integration, but always forms part of the broader processes of regionalization. Schulz et al., pp. 19-20.

⁹ See more details about NAFTA in John D. Daniels, Lee H. Radebaugh, and Daniel P. Sullivan, *International Business: Environments and Operations*, 10th ed. (Pearson

American Free Trade Association (LAFTA), changed to the Latin American Integration Association (ALADI); and the Caribbean Free Trade Association (CARIFTA), later known as the Caribbean Community and Common Market (CARICOM). Moreover, in 1991, MERCOSUR, a sub-regional group of ALADI, was established in South America. The Andean Common Market (ANCOM) is the second most important regional group in this area.¹⁰

With the revival of regionalism, Asia has also begun to establish regional cooperation institutions through intergovernmental cooperation. During the Cold War, political and military cooperation under the auspices of the superpowers was established in the region. The Southeast Asia Treaty Organization (SEATO), the Association of Southeast Asia (ASA), the Asian and Pacific Council (ASPAC), the MAPHILINDO, and the Association of Southeast Asian Nations (ASEAN) are good examples of intergovernmental organizations. In economic terms, the Pacific Basin Economic Council (PBEC) and the Pacific Trade and Development Conference (PAFTAD) are business-led organizations influenced by the United States.

After the end of Cold War, regional cooperation in Asia was achieved through the Pacific Economic Cooperation Council (PECC) and the Asia-Pacific Economic Cooperation (APEC). Political and security concerns are channeled through the Council for Security Cooperation in Asia-Pacific (CSCAP) and the ASEAN Regional Forum (ARF).¹¹ Those frameworks are a result and clear example of intergovernmental cooperation. However, they are also influenced by the superpowers instead of making their own arrangements.

Education International: 2007) particularly Chapter 7: Regional Economic Integration and Cooperative Agreements, pp. 215-220; Linda M. Aguilar, "NAFTA: A Review of the Issues," *Economic Perspectives* (1992), 14; Richard Lawrence, "NAFTA at 5: Happy Birthday?," *Journal of Commerce* (February 1, 1999); Geri Smith and Elisabeth Malkin, "Mexican Makeover: NAFTA Creates the World's Newest Industrial Power," *Business Week* (December 21, 1998): 50-52; Organization of American States, "OAS Overview of the North American Free Trade Agreement," <http://www.sice.oas.org/summary/nafta/naftatoc.asp>; and <http://www.nafta.net>.

¹⁰ See more details in Daniels, et al., pp. 220-221.

¹¹ Joakim Öjendal, "South East Asia at a Constant Crossroads: An Ambiguous 'New Region'," in *Regionalization in a Globalizing World: A Comparative Perspective on Forms, Actors and Processes*, eds. Michael Schulz, Fredrik Söderbaum, and Joakim Öjendal (London and New York: Zed Books, 2001), p. 193.

The recent emergence of regional cooperation in East and Southeast Asia can be traced to the 1997 Asian financial crisis. Immediately after the crisis, Japan proposed an addition to ASEAN called ASEAN Plus Three (APT). The organization included China, Japan, and South Korea to ASEAN in order to overcome and prevent future financial disasters. Indeed, this initiative may be interpreted as a sign of the need of East Asian states to establish their own organizations. For instance, the idea of establishing the East Asian Community (EAC) has been presented to the region. It has been argued that it is the same idea of the East Asian Economic Group (EAEG), which became the East Asian Economic Caucus (EAEC). This initiative was proposed by the former prime minister of Malaysia Dr. Mahathir Mohamad in the early 1990s. However, the idea was rejected due to objections over its non-Caucasian concept.

Unlike Europe, East Asia is characterized by political, economic and cultural diversity. Some of them even have historical conflicts which have been raised, from time to time, to claim for national interests. Those are significant reasons of the ambiguous attempts to establish cooperation among others.

This paper focuses on a comparative perspective of regional cooperation in Europe and East Asia, in particular of the EAC. Since the EU demonstrates the characteristics of both 'intergovernmentalism' and 'supranationalism', it is important to study the lessons that other regions might experience.

In order to analyze the possibilities of regional cooperation in East Asia, one must look into European cooperation and integration and examine the factors that contributed to its success. This paper attempts to answer whether or not the success of European regional cooperation would happen to East Asia, if so, in what way.

B. Objectives

The main objective of this paper is to review the experience of the European cooperation and integration, and to compare it with East Asia, particularly the EAC. In addition, it will analyze important institutions such as ASEAN, APT, and EAS. It will conclude with a discussion on establishing regional cooperation in East Asia.

Since the establishment of the ECSC, Europe has provided new theoretical frameworks, approaches, and theories about regional cooperation and integration to scholars of international relations. Indeed, the lessons learned from the EU are quite significant, as it is the most successful regional group in the world.

In the last few years there have been many proposals and ideas about cooperation and integration in East Asia. The EAC, first mentioned in a 2001 report submitted by the East Asian Vision Group (EAVG), has been the most debated issue in the region. Due to the region's specific characteristics, regional integration in East Asia seems to be difficult to attain. However, by studying successful regional cooperation and integration in Europe, East Asia might be able to further its ties and promote further cooperation.

C. Research Question

In light of the European experiences of European cooperation and integration, which is arguably the most successful regional grouping in the today's world, what are the possible lessons learned for East Asian cooperation in terms of intergovernmental organization and regionalism?

D. Hypothesis

The emergence of East Asian Community in the beginning of 21st century is comparable to the European regional cooperation at the inception of the Council of Europe in the 1950s. Later, the experiences of the European Community (now the EU) and its integration process could be characterized by the combination of two concepts: intergovernmentalism and supranationalism. In terms of theoretical approaches, S. Hoffmann's and A. Moravcsik's concepts about intergovernmentalism and intergovernmental cooperation based on the cases of the EU appear to be the most appropriate concepts in understanding the ongoing process of East Asian regional cooperation.

E. Research Methodology and Scope of study

This paper employs a qualitative method of research. The analysis is based on documentary research and content analysis. Moreover, the analyses of primary and secondary sources will be based on declarations, agreements, speeches, books, journals, press releases, articles, news and web pages.

This paper compares European regionalism and regional cooperation in Asia, focusing on East Asia. First, it reviews and analyzes the lessons learned from European cooperation and integration. In order to understand the European process, several institutions and policies will be examined. In doing so, the paper will explain intergovernmental cooperation in Europe (non-EU). In addition, the concepts of ‘intergovernmentalism’ and ‘supranationalism’ will be used to clarify and analyze the process of EU integration. The paper will then focus on regional cooperation in East Asia, predominantly the EAC proposal, focusing on its conception and evolution.

Having done this, the paper compares the process of regional cooperation in the EAC to that of the EU. Various frameworks, such as ‘intergovernmentalism’ and ‘supranationalism’, will be compared. Their similarities and differences will be examined in order to evaluate the possibility of the founding of the EAC.

Finally, possible conditions for successful regional cooperation and integration will be discussed, as well as motives and obstacles for the establishment of the EAC. The paper will also provide recommendations for what could be done in East Asia to make regionalism a reality.

F. Theoretical Frameworks on Regional Cooperation and Integration

In order to study regionalism in Europe and regional cooperation in East Asia, we need functional theoretical approaches. The field of regional integration presents a wide range of theories, but few of them sharply formulate hypotheses. In spite of this, there are theories of regional integration that will help us to better understand ongoing political events and solve distressing problems that preoccupy political leaders. These theories reflect its historical context and compete with each other to set a trend.

Thereby, these theories are not necessarily the ones that will continue to provide motivation for political thinkers for long.

This paper summarizes five theories of regional integration in accordance to Young Jong Choi and James A. Caporaso. They comprise Neo-functionalist Approaches, Realist Approaches, Liberal Intergovernmentalism, Constructivist Approaches, and Multi-level governance.¹²

1. Neo-functionalist Approaches

Functionalism and neo-functionalism were the progenitors of the field of regional integration.¹³ Both of them are based upon two views. First, they point to society as the engine of politics. Integration works best through **epistemic communities**¹⁴ rather than professional diplomats. They provided the push (or the demand side) for regional integration. When the habits of cooperation are learned in one technical area, they would ‘*spill over*’ into others. The second principle concerns the role of **supranational institutions**. Even though transnational societies are indispensable for integration, it is not sufficient to lead to policy consequences without political mechanisms. Thus, international institutions and political leadership are required.¹⁵

¹² Mainly based on Young Jong Choi and James A. Caporaso, “Comparative Regional Integration,” in *Handbook of International Relations*, eds. Walter Carlsnaes, Thomas Risse, and Beth A. Simmons (London: SAGE Publications, 2001), pp. 480-499.

¹³ In the *Penguin Dictionary of International Relations*, Graham Evans and Jeffrey Newnham referred that functionalism should not be thought, as originally conceived by Mitrany, as a theory of regional integration. They argue that Mitrany believed that such development would deflect people’s attention away from the true goal of international integration. Also, he saw the possibility that regional federations might simply become superpowers. Then, the true functionalist should not arbitrarily foreclose on any possible arrangements for the future. See G. Evans and J. Newnham, *The Penguin Dictionary of International Relations* (London: Penguin Books, 1998), pp. 186-188.

¹⁴ The transnational society, interest groups and labor unions, as well as cultural and scientific organizations are example of epistemic communities.

¹⁵ Choi and Caporaso, p. 485.

According to functionalists¹⁶, loyalties could be transferred away from the nation state towards new functional organizations when people perceived that their best interests are being served by the new arrangements. These scholars argued that when states become more interdependent, it would be increasingly difficult to ‘pull out’ of these arrangements and too costly to remain outside for any length of time. It is likely that states are ‘entrapped’ when they increase their cooperation to meet functional tasks. In this sense they anticipate a ‘spillover’ effect, which became a distinctive feature of the neo-functionalism.¹⁷

For neo-functionalism¹⁸, the high and rising levels of interdependence would set in motion an ongoing process of cooperation that would eventually lead to political integration. **Supranational institutions** were seen as the most effective means of solving common problems, beginning with technical and non-controversial issues – ‘spilling over’ into the realm of high politics and leading to a redefinition of group identity around the regional unit.¹⁹

¹⁶ Functionalism was originally conceived, as Claude suggests in his 1971 volume on international organization, as an approach to peace. However, it has implications for integration as well. These ideas have been taken up and developed particularly by neo-functionalism. The leading functionalist theorist, David Mitrany, who produced the main writings on the subject during and immediately after the war, anticipated contemporary arguments in favor of transnationalism and interdependence. Mitrany was interested not in the functional integration of European nations per se, but in the creation of international organizations to fulfill certain specific needs. See Evans and Newnham, pp. 186-188 and David Mitrany, *A Working Peace* (Chicago: Quadrangle Books, 1996).

¹⁷ Choi and Caporaso, p. 485. See also Evans and Newnham (1998), pp. 186-188; Mitrany (1996); David Mitrany, “The Prospect of Integration: Federal or Functional?,” in *International Regionalism: Readings*, ed. Joseph S. Nye (Boston: Little, Brown, 1968), pp. 43-74; Paul Taylor, “Functionalism: The Theory of David Mitrany,” in *International Organisation: A Conceptual Approach*, eds. Paul Taylor and A.J.R. Groom (London: Frances Pinter, 1978), pp. 216-235.

¹⁸ Neo-functionalism was originally suggested by Ernest Haas as a result of his work on the ECSC. For Ernst Haas, once economic integration is launched, spillover tends to create two types of pressure for an expansion in the scope or intensity of integration: widening and deepening. See e.g. Ernst B. Haas, “Technocracy, Pluralism, and the New Europe,” in *International Regionalism: Readings*, ed. Joseph S. Nye Jr. (Boston, MA: Little, Brown, 1968), pp. 149-176; Ernst B. Haas and Philippe C. Schmitter, “Economics and Differential Patterns of Political Integration: Projections about Unity in Latin America,” *International Organization* 18, no. 3: 705-737; and James A. Caporaso and John T.S. Keeler, “The European Union and Regional Integration Theory,” in *The State of the European Union: Building a European Polity?* eds. Carolyn Rhodes and Sonia Mazey (Boulder: Lynne Rienner, 1995), pp. 29-62.

¹⁹ Andrew Hurrell, “Regionalism in Theoretical Perspective,” in *Regionalism in*

All in all, neo-functionalism is a theory of regional integration which seeks to explain the process of (European) integration. It has played a central, although much criticized, role in the development of theories of the European integration.²⁰ It sought to directly address the political factors that dominate the process of merging formerly independent states.²¹ It belonging to the supranationalist concept, was the dominant theory of integration in the early periods of integration theorizing.²²

Supranationalism is a process by which national governments share sovereignty with transnational institutions whose laws and policies are binding on those governments. Majority voting by national representatives in order to make decisions, and executive authority and parliamentary body independent of national control, and an independent court whose jurisprudence is binding at the national level are the most important and distinctive features of a supranational organization.²³

2. Realist Approaches

Realist theories and their variants have stressed the importance of nation-state actors who compete for power and pursue distinctive national geopolitical interests. It downplays supranational actors, global patterns except for the power struggle among

World Politics: Regional Organization and International Order, eds. Louise Fawcett, and Andrew Hurrell (Oxford: Oxford University Press, 1995), p. 59.

²⁰ Hurrell, p. 59. See e.g. Ernst B. Haas, *The Uniting of Europe: Political, Social and Economic Forces* (London: Steven, 1958), pp. xv-xvi; and Leon N. Lindberg, *The Political Dynamics of European Economic Integration* (Stanford, Calif.: Stanford University Press, 1963).

²¹ Charles W. Kegley, *World Politics: Trend and Transformation*, 11th ed. (Belmont: Thomson Higher Education, 2007), p. 568. See more details about Neo-functionalism in J.P. Sweeney, *The First European Elections: Neo-functionalism and the European Parliament* (Boulder, Colo.: Westview Press, 1984); J. Tranholm-Mikkelsen, "Neo-functionalism: Obstinate or Obsolete? A Reappraisal in the Light of the New Dynamism of the EC," *Millennium: Journal of International Studies* 20 (1991): 1-22.; Philippe C. Schmitter, "A Revised Theory of Regional Integration," *International Organization* 24, no. 4, (Autumn, 1970): 836-868; Philippe C. Schmitter, "Neo-Neofunctionalism," in *European Integration Theory*, eds. Antie Wiener and Thomas Diez (Oxford: Oxford University Press, 2004); and Carsten Stroby Jensen, "Neo-functionalism," in *European Union Politics*, 2nd ed. Michelle Cini (Oxford: Oxford University Press, 2006), pp. 80-92.

²² Frank Schimmelfennig and Berthold Rittberger, "Theories of European integration," in *European Union: Power and policy-making*, 3rd ed. ed. Jeremy Richardson (New York: Routledge, 2006), pp. 73-95.

²³ Thomas Christiansen, "European integration and regional cooperation," in *The Globalization of World Politics: An introduction to international relations*, 3rd ed., eds. John Baylis and Steve Smith (Oxford: Oxford University Press, 2005), p. 580.

nation-states, and diverse domestic influences on national leaders. Although realism facilitated European integration in the context of the bipolar balance of power that defined the Cold War, and called attention to the effects of the end of the Cold War and the reunification of Germany; its ability to explain most of the specific patterns arising in Europe since the 1950s appears somewhat limited.²⁴

Realism focuses on power politics rather than on economics. Two principal elements of systemic structure are anarchy and the international distribution of power. Realist theory argues that the preferences of states (including preferences for integration) are determined by their position in the international system, that is, their position within the international distribution of power. Thus, the nature and composition of societal groups, attributes of states, and similarities among countries do not matter so much as placement in the international distribution of power. Yet, when states join a regional union, they presumably commit to cooperation with a state membership over a long period of time. Durable membership with the same partners focused on mutual absolute gains implies the antithesis of realist expectations.²⁵

One approach to reconciling regional integration with realism is provided by Joanne Gowa. Gowa argues that the Cold War shifted the focus of European countries to the U.S. and Soviet Union. Gowa recognizes the security externalities generated by trade, and she approaches this issue by parsing the effects of different kinds of power distributions that is, bipolarity and multi-polarity, on the incentives for trade. Since bipolar systems are more stable than multi-polar systems, she predicts that countries will exploit this longer time horizon of peace by deepening cooperative exchanges among them. Thus, the bipolar distribution of power after the Second World War encouraged deep integration within Europe. In Europe, the incentives were stronger since all the members of the EEC were also members of the NATO.²⁶

²⁴ Richard J. Piper, *The Major Nation-states in the European Union* (New York: Pearson Longman, 2005), p. 33.

²⁵ Choi and Caporaso, p. 486-487. See e.g. B. Rosamond, *Theories of European Integration* (Basingstoke: Macmillan, 2000).

²⁶ Ibid. See e.g. Joanne Gowa, "Bipolarity, Multipolarity and Free Trade," *American Political Science Review* 83, no. 4 (1989): 1245-1256; and James A. Caporaso, "Global Political Economy," in *Political Science: The State of the Discipline*, ed. Ada Finifter (Washington, DC: American Political Science Association, 1993), pp. 451-481.

John Mearsheimer provides a response to the issue of the end of the Cold War and what effect this would have on integration in Western Europe. Consistent with realist theory, he argued that with the end of Cold War and the collapse of the Soviet Union, the U.S. was likely to pull back from NATO. This would increase tension among European countries. Moreover, multi-polar power balancing was likely to increase, and the problem of containing Germany was likely to be more pronounced. A decade has elapsed and European integration seems even stronger.²⁷

Focusing on the Treaty of Maastricht and European Monetary Union (EMU), Joseph Grieco asks why governments have committed to these agreements, which severely restrict their autonomy. He argues that countries (particularly the 'secondary states' that are weaker but still influential partners) bargain to increase their influence by binding powerful members into international institutions and policies. He calls this the 'voice opportunity thesis', reflecting the political influence that states try to exert to enhance their role in international organizations, and to decrease and manage the burdens coming from being part of an interconnected market with larger countries.²⁸ He argues that, faced with high levels of interdependence, prior thick institutions and policy externalities, countries will try to cut the best bargain in terms of the rule-based system they adopt for monetary affairs.

3. Liberal intergovernmentalism

From the mid 1960s to the present day, intergovernmentalism has been situated at the heart of European integration theory in one form or another. Intergovernmentalism is a theory of European integration, or perhaps more accurately, a conceptual approach that explains the European integration process. It is characterized by its state-centrism. It sees integration as a zero-sum game, claiming that it is limited to policy areas that do not touch on fundamental issues of national sovereignty.²⁹

²⁷ Choi and Caporaso, p. 486-487. See e.g. John Mearsheimer, "Back to the Future: Instability in Europe after the Cold War," *International Security* 19, no. 1 (1990): 5-56.

²⁸ Ibid. See Joseph M. Grieco, "State Interests and International Rule Trajectories: A Neorealist Interpretation of the Maastricht Treaty and European Economic and Monetary Union," *Security Studies* 5, no. 3 (1996): 261-306.

²⁹ Michelle Cini, ed., "Intergovernmentalism," in *European Union Politics*, 2nd ed.

The term ‘intergovernmentalism’ is not only associated with EU politics. It also refers to a type of decision making that occurs within all international organizations. They are intergovernmental bodies in that they are forums in which states can meet to discuss common issues, share ideas, and negotiate agreements. They are usually based on international treaties, and membership is voluntary. They rely on member states’ contributions for their operation. Generally, they do not have independent powers, and usually they find it difficult to enforce decisions where individual members are recalcitrant. While some international organizations stray from this model, intergovernmentalists (in the EU sense) uses this kind of framework to understand the EU.³⁰

According to intergovernmentalists, not only are the member states deemed to be the most important actors, but they also manage to involve themselves in European integration without ceding sovereignty. This implies that states remain very much in control of the process. European cooperation implies at most a pooling or sharing of sovereignty, rather than any transfer of sovereignty from a national to a supranational level. Rather than assuming that the supranational institutions are capable of playing an independent or autonomous role within the European integration process, intergovernmentalists stress that the supranational actors are little more than the servants of the member states. While the supranational institutions are permitted to have a larger role in less controversial policy areas, the functions they perform in sensitive policy domains is bound to be severely curtailed.³¹

There are many scholars who studied intergovernmentalism. However, this paper focuses particularly on the works of Stanley Hoffmann and Andrew Moravcsik. Hoffmann laid the foundations of the intergovernmentalist approach to European

(Oxford: Oxford University Press, 2006), pp. 93-108. See more details in Intergovernmentalism in Stanley Hoffmann, *The European Sisyphus* (Oxford: Westview Press, 1995); Robert O. Keohane and Stanley Hoffmann, eds., *The New European Community: Decision Making and Institutional Change* (Boulder, CO.: Westview, 1991); and Andrew Moravcsik, *The Choice for Europe: Social Purpose and State Power From Messina to Maastricht* (London: University College London Press, 1998). See also Paul Taylor, “Intergovernmentalism in the European Community in the 1970s,” *International Organization* 36 (1982): 741-766.

³⁰ Cini. See more details in J. McCormick, *Understanding the European Union* (Basingstoke: Macmillan, 1999).

³¹ Ibid.

integration. Most of his state-centric variants from the 1970s were based on this earlier work. Hoffmann worked on French, European, and international politics which led him to critique the work of the neo-functionalists. Concentrating on the process of European integration, Hoffmann criticized that neo-functionalism ignored the context within which it takes place. He also rejected neo-functionalist claims that European integration was driven by a sort of snowball effect known as spillover. Hoffman distinguished between high and low politics, arguing that while functional integration might be possible in less controversial areas (the economic sphere); states would resist any incursions into areas of high politics (the political sphere).³²

Hoffmann prefers the ‘logic of diversity.’ He reiterates the point by stating that European integration involved dialectic of fragmentation and unity. This diversity was a consequence of the unique context of internal domestic politics and global factors. From his studies of the French context, he recognized that traditional, exclusive notions of sovereignty were now obsolete, and that there was a blurring of the boundaries between the national state and international organizations. He argues that although national sovereignty and the nation state were just being tamed and altered, they were not being superseded.³³

Since the early 1990s, Andrew Moravcsik’s theory of liberal intergovernmentalism (LI) has become one of the most influential accounts – if not the pre-eminent one – of the European integration process. It incorporates both realist and neo-liberal elements and deals explicitly with the interface between domestic and international politics. LI identifies the EU as a successful intergovernmental regime designed to manage economic interdependence through negotiated policy coordination. It also emphasizes the importance of the preferences and power of states and highlights central governments as the center of analysis.³⁴

Integration, according to this approach, is the processes of interest aggregation, intergovernmental bargaining, and enforcement of decisions. Moravcsik

³² See more details in Stanley Hoffmann, “Obstinate or Obsolete? The Fate of the Nation-State and the Case of Western Europe,” *Daedalus* 95, no. 3 (1966): 862-915.

³³ Cini, pp. 93-108.

³⁴ See Stephen George and Ian Bache, *Politics in the European Union* (Oxford: Oxford University Press, 2001); and N. Nugent, *The Government and Politics of the European Union* (Basingstoke: Macmillan, 1999).

lays out a two-step process of preference formation and bargaining which he extends to a three-step process: preference-formation, intergovernmental bargaining, and institutional lock-in of bargains.³⁵

There are two separate dimensions to LI: the supply and the demand side. The basic idea is that economic and social interests provide the raw material of politics. These interests have to be recognized and mobilized before they become active in politics. Once interests are formed, they must pass through the political process. The political system is not simply an adding machine that translates economic demands into political results. Procedures for aggregating interests vary considerably from country to country. Leaders of countries must then take societal interests (as well as their own) into the international negotiating forum and bargain to achieve favorable results, that is, results that are acceptable to both foreign counterparts and domestic constituencies in all affected countries. Once agreement and ratification take place, institutions are devised to lock-in, monitor, and enforce the agreements.³⁶

In this conception, integration is the result of a process of bargaining between state leaders. Integration flows from the degree to which state preferences converge. Yet, the preferences of large states are said to be paramount. Moravcsik argues that small states can be bought off, and large states bargaining power is such that the final outcome of bargaining tends to be ‘the lowest common denominator of large state interests’.³⁷

Moravcsik concludes by saying that major choices made in favor of European integration are a reflection of the preferences of national governments and not of supranational organizations. He also stresses that these national preferences reflect a balance of domestic economic interests rather than any political bias of politicians or national strategic security concerns. Finally, he points out that the outcomes of the

³⁵ See more details in Andrew Moravcsik, “Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach,” *Journal of Common Studies* 31 (December 1993); See also Moravcsik (1998).

³⁶ Paul F. Diehl, “Can East Asia be like Europe? Exploring Selected Conditions for Regional Integration,” in *The Emerging East Asian Community: Security and Economic Issues*, eds. Lee Poh Ping, Tham Siew Yean, and George T. Yu (Cetakan Pertama: Universiti Kebangsaan Malaysia, 2006), p. 42.

³⁷ Ibid.

negotiations reflect the relative bargaining power of the states, and that the delegation of decision making authority to supranational institutions reflects the wishes of governments to ensure that they adhere to the commitments.³⁸

4. Constructivist Approaches

Constructivist is a new approach to regional integration.³⁹ The core of constructivism is concerned with the role of ideas, norms, and identities, as opposed to material factors in the integration process. Some scholars argue that it concerns the issue of human consciousness, human thought, ideas, and agency as crucial to the explanation of the international order.⁴⁰ All in all, the theoretical foundations for constructivism lie in social psychology and sociology. Most of this approach focuses on Western Europe, the EU, the Council of Europe, and other broader social processes such as changing conceptions of citizenship.

One of the most popular theoretical frameworks in constructivism is the concept of ‘security community’ of Karl Deutsch and his collaborators.⁴¹ Its core

³⁸ Cini, pp. 93-108. See George and Bache (2001).

³⁹ Choi and Caporaso, pp. 489-490. See more details about Constructivist Approaches in John Gerard Ruggie, *Constructing the World Polity* (London and New York: Routledge, 1998); Peter Berger and Thomas Luckman, *The Social Construction of Reality* (New York: Doubleday, 1966); Alexander Wendt, *Social Theory of International Politics* (Cambridge: Cambridge University Press, 1999); and Ben Rosamond, “New theories of European integration,” in *European Union Politics*, 2nd ed. Michelle Cini (Oxford: Oxford University Press, 2006), pp. 121-122.

⁴⁰ See more details in Ruggie (1998). Other leading constructivist scholars such as Jeffrey T. Checkel, “The Constructivist Turn in International Relations Theory,” *World Politics* 50, no. 2 (1998): 324-348; Jeffrey T. Checkel, “Social Construction and Integration,” *Journal of European Public Policy* 6, no. 4 (1999): 545-560; and Jeffrey T. Checkel, “The Europeanization of Citizenship?,” in *Transforming Europe: Europeanization and Domestic Change*, eds. Maria Green Cowles, James A. Caporaso, and Thomas Risse (Ithaca: Cornell University Press, 2001), pp. 180-197.

⁴¹ The concept of ‘security community’ was developed by Karl Deutsch in the 1950s by using the North Atlantic as an area study. The ‘security community’, according to Deutsch, was a form of international cooperation which, under certain circumstances, could lead to integration. He argued that a security community was formed amongst participating actors when their peoples, and particularly their political elites, held stable expectations of peace between themselves in the present and for the future. The idea of what Deutsch called the ‘no war community’ would spill over into the absence of significant organized preparation for war. It refers to a group of people which has become “integrated”. By integration we mean the attainment, within a territory, of a “sense of community” and of institutions and practices strong enough and widespread enough to assure dependable expectations of “peaceful change” among its population. By a “sense of community” we mean a belief that common

assumption focuses on community, on the development of 'we-feelings'. Now, when it comes to applying social constructivism to integration in other parts of the world, we have to mention Richard Higgott. He suggests that the comparative analysis of EU and East Asia allows us to see the utility of alternative 'constructivist' applications. For instance, he argues that in the regional context, questions of regional awareness and regional identity are important factors. Moreover, a constructivist analysis alerts us to the possibility that systemic regional interaction may transform identity.⁴²

Constructivism has made numerous contributions. At the purely descriptive level, constructivists provide the missing link between objective material factors and outcomes. These approaches are mostly in the meta-theoretical stage, and have not yet made the transition to shared theoretical principles, recognized puzzles, and common research strategies. In a sense, there is no common epistemic community for constructivism in the same way that there is for realism and liberal intergovernmentalism.

5. Multi-level governance

The concept of multi-level governance has been developed principally by Gary Marks and Liesbet Hooghe. An increasing number of scholars are shifting the focus from the study of regional integration to the consideration of the EU as a polity or a complex system of multi-level governance. The main idea of the multi-level governance model is that neither the EU nor its member states, nor some other political entity, enjoys a monopoly of power and decision-making competence in the

social problems must and can be resolved by processes of "peaceful change".

Deutsch's security community is characterized by the assurance that its members would not resort to violent means to resolve their disputes, but would settle them peacefully. While Realism has believed that international system is an anarchic, self-help scenario, where nation-states struggle for power and survival, Deutsch argued that there can exist a community not only within the boundaries of a state, but also across states, and that peace and peaceful change can be expected within international communities. See Karl W. Deutsch, et al., *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience* (Princeton: Princeton University Press, 1957). See Emmanuel Adler and Michael Barnett, eds., *Security Communities* (Cambridge: Cambridge University Press, 1998).

⁴² See more details in Richard Higgott, "The international political economy of regionalism: the Asia-Pacific and Europe compared," in *Regionalism and Global Economic Integration: Europe, Asia and the Americas*, eds. William D. Coleman and Geoffrey R.D. Underhill (London: Routledge, 1998), pp. 42-67.

EU. The EU, along with the states and sub-national regions, is best seen as part of a complex system of multi-level governance interacting in numerous ways with one another and with private actors.⁴³

Multi-level governance approaches have expanded the range of relevant actors as drivers of regional integration. While pointing to different actors is not the same as theorizing about them, it is a prerequisite to it. It is difficult to theorize about multiple levels of decision-making before one admits that multiple levels matter. Moreover, political arenas and economic actors are interconnected but not necessarily nested.⁴⁴ The major challenges to multi-level governance are the following: the need to come up with a conception of causality that is not dependent on the place some activity takes place; and the need to move from the simple specification of actors to the development of a core research program.

To sum up, multi-level governance encourages us to think about the EU as a political system across multiple levels. These levels include national and sub national arenas of action as well as the institutional environment of Brussels. It is premised on the idea that authority has gradually moved away from national governments over the past half-century. However, authority has not simply shifted upwards to state-like European institutions; it has become dispersed among a variety of private and public agents. This concept yields a picture of complex, variable, and uneven patterns of policy making in contemporary Europe.⁴⁵

⁴³ Choi and Caporaso, pp. 490-491. See more details about Multi-level governance in Gary Marks, "Structural Policy in the European Community," in *Europolitics – Institutions and Policy – making in the 'New' European Community*, ed. A. Sbragia (Washington, DC: Brookings Institution, 1992); Liesbet Hooghe, *Cohesion Policy and European Integration: Building Multi-level governance* (Oxford: Oxford University Press, 1996); Gary Marks and Liesbet Hooghe, "Europe with the Regions: Channels of Regional Representation in the European Union," *Publius: The Journal of Federalism* 26, no. 1 (1996): 73-92; Gary Marks and Liesbet Hooghe, *Multi-level governance and European integration* (Lanham, Md.: Rowman & Littlefield, 2001); Liesbet Hooghe and Gary Marks, "The Making of a Polity: The Struggle Over European Integration," *European Integration online Papers* 1, no. 4. <http://eiop.or.at/eiop/texte/1997-004a.htm>; Gary Marks and Kermit Blank, "European Integration from the 1980s: State-Centric v. Multilevel Governance," *Journal of Common Market Studies* 34, no. 5 (1996): 341-378; Gary Marks, Liesbet Hooghe and K. Blank, "European Integration from the 1980s: State-Centric v. Multilevel Governance," *Journal of Common Market Studies* 34, no. 5 (1996): 341-78; and Ben Rosamond (2006).

⁴⁴ See Marks, et al. (1996).

⁴⁵ Rosamond, p. 121.

This introductory chapter explains the significance of regionalism in Europe and regional cooperation in East Asia. In addition, it clarifies the foremost objective of this paper, that is, to compare perspectives on regional cooperation in Europe and in East Asia. This qualitative research tries to answer the question of how cooperation in East Asia could be achieved by learning from the experiences of Europe.

In this paper several theoretical frameworks on regional integration are used to analyze European cooperation and integration. The lessons learned of regionalism in Europe will be used to compare with those of East Asian cooperation. However, one must note that each region has its own factors and characteristics. Even in similar circumstances, the results and formats of cooperation could not be the same. This paper discusses the possibility of establishing regional cooperation in East Asia by taking into account the logic of East Asian countries.

The next chapter will describe and explain European regionalism and regional cooperation in Asia, particularly in East Asia. First, the growing sense of regionalism in Europe will be explained. This includes the explanation of each European organization and a description of their characteristics of cooperation from a perspective of intergovernmental cooperation, intergovernmentalism, and supranationalism in the EU. The paper will also explain the concept of 'Nested European Institutions' and discuss the complexity of the EU integration by referring to its institutions and policies. Later, it will clarify regionalization in Asia, especially in East Asia. Those arrangements, unlike in Europe, overlapped with each other. Each of them can be explained by the intergovernmental cooperation approach. Finally, the paper will conclude with the characteristics of regional cooperation in East Asia.