

New Regionalism in Comparison : The Emerging Regions of East Asia and the Arab Middle East

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New Regionalism in Comparison : The Emerging Regions of East Asia and the Arab Middle East

新地域主義の比較

——現れつつある東アジア地域とアラブ中東地域

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1. Introduction

The new regionalism is becoming a global phenomenon. In contrast to the old regionalism set in the Cold War period, the current form that started in Europe with the Single European Act is seen as more diverse and widespread.¹ More and more countries are getting involved in various regional projects that span from simple trade cooperation to advanced region building effort with political commitment playing a central role.² More often than not, these endeavors are based on geographical boundaries that categorize countries into 'fixed' regions. However, unlike states, regions are fluid entities that are defined not only according to geographical proximity but also through other historical, politico-economic and social factors. Hence, apart from territorial contiguity, regions can be socially and cognitively constructed.

In this respect, this paper looks at the social construction of two emerging regions—East Asia and the Arab Middle East—and their comparison amidst global structural transformation. One of the characteristics of the new regionalism is its link to globalization and the interdependence of the international political economy. These two regions are part of the new phenomenon for several reasons. Both are emerging regions, in the sense that there has been a greater shift towards regional cooperation in recent years. This shift is partly encouraged by the growth of intra-

regional trade and the slow process of the World Trade Organization (WTO) and the multilateral trading system. With regional trade liberalization in progress (as witnessed by the proliferation of free trade agreement [FTA]), there is now a greater sense of awareness among states of the need to cooperate at the regional level to take advantage of the benefits of globalization as well as to respond in a more effective manner to conflicts/contradictions that arise from the ill forces of globalization. While changes in political structures that accompanied the end of the Cold War are allowing state actors more room to maneuver, non-state actors have also become important players in region construction. This inevitably makes the new regionalism a much more complex process than the previous one.

Before proceeding to explain the structure of this paper, it is probably prudent to justify the reason for selecting and comparing the two cases by briefly identifying some of their similarities and differences. Both regions are dynamic cases of the new regionalism. Their dynamism is reflected in the internal changes occurring at the political and economic levels. Politically, there is a gradual shift towards democratic values and openness, albeit at a different pace. In East Asia, the 1997 economic crisis has been forcing countries to reform and create political structures that are more responsive to their own peoples and to foreign investors. This can be seen to varying degrees in countries like Indonesia, Malaysia, Thailand and even China. Similarly in the Arab Middle East, the strong sense of identity as one Arab nation once moved many Arab leaders to attempt unification of their countries. With the establishment of stronger state machinery in each state, such movement was weakened. However, a shakeup is going on with the recent invasion of Iraq, as attempts are made to infuse a democratic system that is transparent and accountable and as some governments like Lebanon, Saudi Arabia, Kuwait, Egypt, Bahrain and the Palestine Authority experiment with elections. Still, one of their similarities is also found in the diverse range of political systems from military regime to

democratic institution.

Economically, there is strong growth in the two regions. Real gross domestic product (GDP) growth rates for East Asian economies in 2004 averaged 7.0 percent and for the Middle East 5.5 percent, which are above the world figure of 5.1 percent.³ However, while economic expansion in East Asia owes to intra-regional trade, with China as an engine of growth, and strong external demands for manufactured products, much of the revenues in the Arab Middle East are derived from soaring oil sales due to higher demands. Thus, intra-regional trade in East Asia at about 50 percent is capable of rivaling more advanced regions, while that of the Middle East is only less than 10 percent.⁴ Having said this, it is also clear that there is a growing disparity in terms of development levels and personal income, and the division of core and periphery in both regions.

In addition, the two regions are being bridged through the sharing of some key social factors such as the existence of a large Muslim community in East Asia, the yearly hajj pilgrimage to Mecca and the threat of religiously motivated terrorism. This paper is primarily focused on identifying and analyzing the contemporary regionalization processes that are unfolding in East Asia and the Arab Middle East as the two regions undergo changes brought about by internal and external factors. Through comparison, it seeks to understand how the impact of globalization affects and produces various regional responses, therefore shaping the two regions in fundamental yet different ways.

The organization of this work is as follows: the next section discusses the theoretical aspects and defines the key regional concepts; followed by detailed analysis of the two cases separately; and it concludes with a comparison to highlight the key differences and regionalist trends of the two regions. As a caveat, this article places emphasis on one important dimension—state-driven regionalization processes—due to their growing significance in region construction which in some

ways are seen as state attempts at asserting politico-territorial control, while acknowledging the diverse aspects of the new regionalism.

2. Region-building : A Constantly Evolving Process

A key feature of the new regionalism is its multidimensionality. Region-building is viewed as a complex process that involves a wide range of actors and is considered to be best captured from a multifaceted perspective. This view, which was first mooted by Bjorn Hettne and named the New Regionalism Approach (NRA), was part of a broad discussion on the new regionalism under the World Institute for Development Economics Research (WIDER) international research project that resulted in five volumes of publication.⁵ In essence, the NRA is concerned with the processes of regionalization and the relationship between regionalism and globalism. It sees regionalization and regional cooperation as a natural reaction to the homogenizing tendencies of globalism that stifles the state system and erodes the multicultural values of societies. As such, it assumes that regionalism is the 'next-best-thing', which is capable of navigating against the challenges posed by globalism and its corollary, globalization. Based on this notion, Hettne foresees a regionalized world order that is multicentric and evolves around the establishment of worldwide regional communities.⁶

Such notions, however, tend to go against the idea of open regionalism and the 'building block' concept often associated with FTA proliferation. Instead of seeing regionalism as simply a response, we also see it as a way of managing and supporting globalist ideas such as free trade, as it has become increasingly inevitable for countries to open up their economies and integrate into the world economy in order to grow and prosper. In other words, regionalism can hamper but also buttress globalism. Hence, the question is not one or the other but on how to achieve a balance between economic liberalization and political/social values preservation. The

answer, without doubt, lies in regionalism. Whether this leads to a multicentric world order or 'regional multilateralism' as Hettne predicts, though, would depend on whether or not it becomes a permanent fixture and on the purposes of regionalist projects which are likely to vary from region to region due to the uneven impact of globalization. Even in a single region, the different levels of actors involved and their objectives in pursuing regionalism or regionalization make convergence of interests a challenging and time-consuming endeavor, not to mention the fluidity of constructing regions.

This fluidity is related to how regions are defined. As noted earlier, regions should not be taken a priori but should be seen as socially constructed. This is in line with reflectivist thinking, which argues that regions are formed in the minds of the participating actors and as such are always subject to change. Since reflectivists are concerned with the process through which regions come into being, they can disappear and reappear in diverse ways and combinations.⁷ A region can cover the whole of a state or cut through portions of it in what Ohmae calls 'region state'.⁸ The accession or expulsion of state actors in a regional project, for example, changes the delineation of the region. At the same time, regions are historically anchored since the ability to trace the changes and understand the process of regionalization means that regions are not static, pre-given entities.

Similar conceptions take hold for regionalism and regionalization. Both are defined from a reflectivist perspective, as mechanisms that relate to region-building. More often than not, they are used interchangeably, which leads to confusion and so it is crucial to clearly distinguish between the two terms. There are two definitions for regionalism ; one general and the other, specific.

'...regionalism refers in the first place to the general phenomenon, denoting formal projects as well as processes in the broadest possible sense. In a more narrow and operational sense, regionalism represents the body of ideas, values

and concrete objectives that are 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 to reorganize along a particular regional space.⁹

In short, regionalism is a project with regional contents and is driven by a group of agents with certain shared ideas. To achieve the vision and goals mapped out, actors engage in a series of activities called regionalization. It is a process that works towards the elimination of obstacles and barriers known to hinder cooperation, leading to the augmentation of policy harmonization, higher levels of 'regionness' and possible integration.¹⁰ More importantly, though, it assists confidence building and helps increase the comfort level of members, which are crucial factors for state actors especially in regions where there are still lingering historical animosities and mistrusts. Such differentiation places the two concepts in interrelatedness rather than as an outcome of the other whereby regionalism is the process and regionalization the end result.¹¹ This is because dichotomizing them in such a way would mean seeing economic regionalization, for example, as the result of regional state policies when in fact it is not necessarily the case. It could work the other way around with economic processes affecting state policies. The weaving of complex regional production networks ahead of talks on FTA proliferations in East Asia shows proof to it.

While regionalization is tied to regionalism, there are conditions when regionalization occurs irrespective of a regionalist plan. This is when it is considered to happen unintentionally as a by-product of cross-border activities.¹² Increased regionness as a consequence of deeper intra-regional trade is due to the benefit of economies of scale rather than the effect of certain regionalist motives.¹³ Similarly, regionalism may remain only as an idea, in an unrealized state, when there is no process of regionalization.¹⁴ It could eventually fade away or reemerge differently from what was first idealized.

The definitions inform the 'socialness' of regionalism as a construct of intersubjective knowledge. This view is based on the core social constructivist argument that calls for the need to place equal, if not more, importance on ideational factors such as identity, norm and interest compared to material structures. Wendt eloquently stress that 'structure has no existence or causal powers apart from *process*'.¹⁵ This is because constructivism, in general, accentuates the significance of interaction between agency and structure whereby actors' actions shape their social context but in turn are also shaped by it.¹⁶ Through a complex learning that involves the process of interaction and acquisition of new knowledge, the theory assumes that actors' identities and interests can be reconstituted toward collectiveness to achieve higher levels of cooperation and commitment. Applied to the study of regions, regionalization processes derived from actor socialization and group activities shape the social structures of the region but are also influenced by the structures being created. Over time, new forms of regional identities and interests can be formed and regional communities realized.

The significance of the internal dynamics of regions has also been emphasized in the works of Fredrik Soderbaum who, as a student of Hettne, tried to further develop the NRA towards a more post-positivist constitutive framework that incorporates reflectivist constructivism.¹⁷ This effort is recognized by Hettne when he recently wrote that 'the role of globalization was somewhat over-emphasized' and that it is imperative to understand contemporary regionalism from both an '*endogenous perspective*, according to which regionalization is shaped from within the region by a large number of different actors, and an *exogenous perspective*, according to which regionalization and globalization are intertwined articulations...'.¹⁸ Such a realignment of thinking provides for a broader research into the relationship between the internal and external dimensions of regionalism and the sharing of a fundamental viewpoint between constructivism and the NRA that regionalism is a

social project and an ideational construct subscribed to intersubjective interactions.

3. The East Asian Region

Since regions cannot be pre-defined, determining the boundaries of a region (and sub-region) is a difficult task, as it can be contested. International regimes such as the WTO and the International Monetary Fund (IMF) categorize the Asian region in different ways. Mostly for the purpose of statistical calculations, the WTO divides Asia into West and East Asias, with the latter covering countries from Mongolia to the Solomon Islands and Vanuatu in the Pacific; while the IMF classifies it according to economic levels: Japan, Hong Kong, Korea, Singapore and Taiwan as 'advanced economies' and other Asian countries as 'developing Asia' (stretching from Pakistan to Tonga).¹⁹

Apart from geographic demarcation, East Asia has been historically defined as well. The first is through colonial imperialism. During the British Empire, areas under its rule including parts of Southeast Asia, India and China have been designated as East Asia. The second is through the spread of religious belief. Throughout most of the 20th century, East Asia was thought to cover the Confucius states of China, Japan, Korea and Vietnam.²⁰ The Cold War also gave a distinct image to the three countries of China, Korea and Japan where the balance of power was centered in the region. Later, when Japan started to move south and invest heavily in neighboring countries, East Asia came to be understood as encompassing the sub-regions of Northeast and Southeast Asias due to the closeness and interdependence in trade and investment.

Still, regions can also be cognitively constructed. As the Cold War came to an end, policy actors came up with ideas to establish regional organizations to fill the vacuum left by the changes in geopolitical environment. Early efforts saw the establishment of the Asia-Pacific Economic Cooperation (APEC) forum with the

intention to redefine and expand the boundaries of cooperation by including the Pacific countries and adopting the concept of 'open regionalism'. This idea, however, did not go uncontested, as seen from the attempt to form an East Asia Economic Caucus (EAEC) grouping that called for a narrower definition of regional cooperation by excluding other non-Asian countries.²¹ Although the EAEC was unsuccessful, the Asian leaders did manage to come together under the Asia-Europe Meeting (ASEM). ASEM became an important catalyst in launching an all-Asian group—the ASEAN Plus Three (APT), with the 1997 Asian crisis playing a central role in setting the agenda for regional cooperation.²² The APT is increasingly seen as a natural political representation of East Asia as it overlaps more realistically with the 'economic' region.²³

1) Political Processes of Regionalization

“...the East Asian and the ASEAN Plus Three processes will become the backbone of cooperation in Asia.”

Prime Minister Hun Sen, 22 March 2005

The APT's role in representing the political dimension of East Asian regionalism is becoming ever more relevant as cooperation intensifies. Initial areas of cooperation in finance and trade have deepened and spread to other non-traditional areas such as labor, environment, agriculture, energy and tourism. Much of these efforts are based on the cooperative understandings between the member countries, with ASEAN driving the process.

One of the most progressive areas of cooperation has been finance. Logically, the impact of the Asian crisis provided the momentum in influencing and directing the modalities of cooperation. As early as August 1997, a month after the crisis erupted in Thailand, Japan came out with a proposal to set up an Asian Monetary

Fund (AMF). The proposal was vehemently opposed by the US and the IMF on grounds of moral hazard and duplication and the idea was replaced with a more acceptable framework called the Manila Framework Group (MFG). The MFG is established by fourteen APEC members and is meant to serve as the regional locus of the IMF and financial surveillance.

Although the AMF plan failed to take off, it marked Japan's new engagement in the region. This can be seen from a subsequent decision to introduce short-and long-term capital for currency stabilization and economic recovery in countries hit by the crisis under the New Miyazawa Initiative (NMI). According to Shiraishi, the NMI served two functions.²⁴ Firstly, the provision of US\$2.5 billion to Malaysia played an important role in ensuring the survival of the Mahathir government at a time when it took the risk of imposing capital control. Secondly, the NMI led to the institutionalization of the Chiang Mai Initiative (CMI) in 2000 by expanding the Japan-Korea and Japan-Malaysia currency swap arrangements to cover all of the APT members, thus creating a region-wide network of bilateral swaps. The CMI is considered a breakthrough in financial cooperation as it also covers the ASEAN Swap Arrangement (ASA), which was launched in March 1999. To better reflect the realities and growing size of the Asian economies, a review was made at the 8th ASEAN+3 Foreign Ministers Meeting in Istanbul in May 2005 to strengthen the CMI's effectiveness.

Various other initiatives were also taken. These include the setting up of an ASEAN+3 Surveillance Process in November 1999, the institutionalization of the APT Finance Ministers meeting and Finance and Central Bank Deputies meeting, the development of an Early Warning System (EWS) and the endorsement of an Asian Bond Market Initiative (ABMI) to develop a regional capital market.

In the area of economic and trade cooperation, two reports drafted by the East Asia Vision Group (EAVG) and the East Asia Study Group (EASG) serve as the

blueprint for regional cooperation. This idea came from the then South Korean President Kim Dae Jung and is considered a main contribution to the process of regionalization. While the EASG report which assessed and finalized the recommendations of the EAVG covers various sectors, nearly half of the measures adopted are focused on economic aspects of cooperation. Some of the measures implemented are the formation of an East Asia Business Council (EABC) and an East Asian Investment Information Network (EAIIN) by Malaysia, the establishment of Generalized System of Preference (GSP) status and preferential treatment for the least developed countries, and the hosting of high-level conference on investment and small and medium enterprises (SMEs) by China. Other smaller scale economic projects are also being implemented.

A more daunting task, however, is to create an East Asian Free Trade Area (EAFTA). In 2005, an Experts Group was set up to look into the possibility of establishing EAFTA. This is highly desirable considering the complex nature of regional production networks, but it would be difficult to realize as long as the spread of bilateral FTAs in the region is left uncoordinated. Complicated by the comprehensiveness of most bilateral FTAs and the differences in contents as each FTA is hammered out between two countries rather than as a group, there is a widespread fear that such actions could lead to the fragmentation of the regional economy and further inflate the economic gap between the poor and the rich states. This is because the less developed economies may not have the capacity to join in the fray of FTA proliferation that requires reducing tariffs. Already, there is incongruence between Japan's bilateral FTA approaches to selected individual ASEAN countries and the industrial agglomerations of Japanese transnational corporations situated in the region.

Besides finance and trade, the APT ministers of labor, agriculture, energy, environment and tourism have also held their respective meetings to explore areas for

cooperation. From the institutionalized meetings, a wide array of activities including workshops and development programs are being carried out to varying degrees.²⁵ The meetings are part of the effort to realize the short- and long-term measures stated in the EASG report, such as to promote closer regional marine environment cooperation and to build a framework for energy policies. In addition, they provide opportunities for financial and technical support from the Plus Three countries in assisting ASEAN's own regional projects especially in the eleven priority sectors identified under the ASEAN Economic Community (AEC). The establishment of an East Asia Forum, Network of East Asian Think-Tanks (NEAT) and an APT unit in the ASEAN Secretariat are steps taken to further institutionalize the APT process and push regional cooperation to greater depths.

2) Cognitive Regionalism – the Case of the APT Process

The regionalization of political and functional cooperation is connected to the identification process of actors. This implies that as East Asian leaders come together through socialization and explore ways for cooperation, they are actively shaping the structures derived from the processes of regionalization but in turn are also affecting the process of interaction. Thus, if initial interaction of political actors is for egoistic purposes to maximize gains, subsequent interactions that involve complex learning could lead to a more positive identification that stresses collectivity. This involves actions that would take the Other into consideration.

Although the APT is still at a nascent stage, there are reasons to believe that collective identity formation is in progress. One reason is that even with the Asian crisis fading into the background and most Asian economies bouncing back and moving into trade surplus; the APT framework continues to remain ever more relevant. This is driven by a strong desire, not only to work together in preventing another financial catastrophe, but in going beyond the mechanics of trade and

finance towards the realization of a regional community with shared values. In his observation, Nabers challenges critics by stating that 'I would go a step further in arguing that region-wide community-building and the formation of a collective identity is under way. There is a strong moment of reciprocity in the process'.²⁶

Another reason is that member participants are now more comfortable with each other, allowing cooperation to move from heads of government down to minister and senior official levels, and meetings to stretch from an hour or two to a day or more with intense discussions. A third reason is that the APT process has positively affected the relationship between the three Northeast Asian states. Notwithstanding the recent spate of events, the APT framework has provided a significant platform and opportunity for Japan, China and Korea to engage each other in what has now become an annualized trilateral meeting held at the sidelines of the APT summit. This is considered a pivotal development for the three countries to iron out their differences since the success of the APT depends to a large extent on the well-being of their trilateral relationship.

Through declarations and documentations, members reassert their commitment to the APT process. The accession to the Treaty of Amity and Cooperation (TAC) by all the Plus Three members may be seen as trivial to others, but constructivists argue that it helps to strengthen collective identification by reassuring smaller nations of the good intentions of their bigger and more powerful neighbors. The same applies to the reiteration and pledging of support for the APT and ASEAN as the main driver in East Asian cooperation. Six years after the APT was institutionalized, the leaders reasserted '...the role of ASEAN+3 process as the main vehicle for the eventual establishment of an East Asian Community. China, Japan and the Republic of Korea reiterated their support for ASEAN's role as the major driving force in East Asia cooperation'.²⁷ Already, China's commitment to TAC and the China-ASEAN FTA is changing the perception of ASEAN leaders towards China from an economic

threat to a competitive economic partner.²⁸

With ASEAN driving the process, much of the state interactions have been based on the ASEAN way. Being a set of norms defining states' behavior, the ASEAN way provides a sense of regional identity and has come to represent how the ASEAN operates as a group.²⁹ The characteristics of the APT meetings are similar to ASEAN's own mechanisms- less formal, focus more on consensus building through frequent consultations and include the rotation of chairmanship. The plus side to it is that it fosters equality, mutual respect and a sense of belonging where all thirteen members are seen as equals. This allows members to freely introduce ideas and proposals and even call for change without feeling intimidated. On the negative side, it slows down the decision-making process due to the absence of political leadership. Cooperation tends to be limited to simple issues while important decisions take a longer time, creating backlogs and reducing the speed of regionalization. The proposal to set up an ASEAN+3 Secretariat by Malaysia in May 2002 has remained unrealized ever since, due to the inability to reach a consensus.

4. The Arab Middle East

1) Arab Regionalism

Arab peoples have a strong sense of being one nation, although they belong to nearly twenty states extending from Iraq and other Gulf countries to Morocco and Mauritania. The identity of being an Arab comes mainly from the shared language of the written Arabic, which cannot be different through ages and lands, because it has to be based on the words of Allah shown in the Quran. But spoken Arabic can be very different from country to country, often to the level of incommunicability. Another bond for Arabs is Islam, as they take pride in Allah's choosing Arabic to tell his messages to the human kind. But some are Shiites and of other minority sects, or are Christians of Oriental or Occidental sects, who are all more or less discriminated

against by the predominant Sunnites. Most of the Arabs also share the memory of being dominated by Ottoman Turks and then colonized by Europeans. After the establishment of Israel, they have shared antipathy against and efforts to oppose it. Racially they are rather varied, with fairer or darker skins, but mainly of the Mediterranean stock. Although some states have substantial non-Arab populations—Berbers, Negroids, Kurds, etc.--, and their economic levels differ greatly depending on resource endowments, they seem to make a great candidate for a strong regionalism based on a shared identity. However, the present situation is utterly disappointing, and would require an explanation of the historical context which has brought it about.

During the World War I, Arabs in the Ottoman Empire began to oppose Turkish dominance with the support of the British who were in war with the Ottomans, and were given after the war separate states of Iraq, (Trans-)Jordan, Syria and Lebanon, though at first as British or French territories mandated by the League of Nations. Palestine was also a British mandated territory, but open for Jewish settlements in return for Rothschild's loan to the British Government during the war. The Jewish settlement was resented by local Arabs, and when it was greatly expanded after Nazi's rise to power in Germany, fierce violence erupted and resulted in deaths of thousands (Jews, Arabs, and Britons). This Palestine conflict woke up Arab nationalism in many parts of the Arab world and it is still stimulating it.

So, toward the end of the World War II, a League of Arab States came into being with Cairo as its headquarters. It led a war against Israel's independence in 1948, but neighboring Arab states failed to defeat it. The shock at the failure precipitated a military coup-d'état in Egypt, which brought about a young officers' radical regime. It demanded the British troops defending the Suez Canal to leave, and with American support, got it. Then Egypt nationalized the Suez Canal Company, a symbol of British imperialism without benefits to Egypt, and although

invaded by Israeli, British and French troops in 1956, managed to make them withdraw, with the help of the U.S. and the United Nations. Nasser, the Egyptian leader, became a hero of not only Arab but also other Asian and African peoples critical of imperialism and colonialism. He also became the symbol of Arab nationalism and brought about heightened expectations among Arab masses for unification of Arab states. A fragile state without historical borders, Syria, was ruled by various republican groups and asked for federation with Egypt to overcome its instability. Nasser's counterproposal was complete merger of the two states based on Egyptian systems, which Syria accepted and brought about the United Arab Republic in 1958. The Arab peoples of not only the two states but also most other states welcomed it enthusiastically as the first step toward unification, but the ruling classes of these states except Egypt were terrified.

Even in Syria, Egyptian domination was soon resented and a coup-d'état expelled Egyptians in 1961. Nasser's authority was badly hurt, and he began to preach Arab unification based on revolution, driving conservative regimes further into enmity against him. When a civil war broke out in Yemen between young officers and traditional rulers, Egypt intervened on the side of revolutionaries, confronting Saudi Arabia and Jordan which backed the feudalists. Moreover, Nasser became more militant against Israel, supporting Palestinian guerrillas and Syria. Soviet aids nourished his overconfidence in Egypt's military readiness, and he triggered the third Arab-Israeli war in 1967, which finished in a crushing defeat for Arab states. Although he managed to remain in power, he was sick and died in 1970. He and his successor, Sadat, had become more realistic and ready to sacrifice Arab leadership to restore its territory occupied by Israel, accepting a UN Security Council resolution calling for exchange of peace and territory. But Israel wouldn't return any territory without direct negotiations, so Egypt launched another war with Syria in 1973 and pressurized the U.S. to intervene. With the help of Arab oil exporting countries

which used 'oil weapons' to sanction Israel's friends, Nixon-Ford-Carter administrations mediated between Egypt and Israel and helped Egypt to restore Sinai. Egypt, however, paid the price by receiving Arab boycott and Sadat personally did so when he was assassinated by Islamist extremists in 1981.

Thus, Arab nationalism had been weakened by the late 1970's and lost its leader. No other Arab state could substitute Egypt, and Arabs couldn't fight against Israel without Egypt. Instead, they fought against each other (civil wars in Lebanon and Algeria, Iraq against Kuwait and its allies, etc.). Most Arab states have come to more or less accept Israel's existence, and Egypt has returned to the Arab League, but Arab unification is not an agendum for its meetings any more. There have been other attempts at merger of some Arab states since the breakup of the UAR, but none was successful except North and South Yemens' case, which took place in 1990 and later overcame an attempt of secession. Since independence the Arab states have developed state-machineries (including the secret police) and state-controlled mass-media and schools, thus establishing a national identity of each state.³⁰

In spite of the shared identity, there was an ideological split among Arab states between a conservative, pro-American camp and a radical, anti-American camp. But the demise of the Soviet Union robbed the latter camp of its military supporter, and now that its leader (after Egypt's conversion), Iraq, is occupied and being transformed by the U.S., no other state is likely to challenge the Americans. Attempts at certain democratization and privatization of state-owned enterprises are in order among Arab countries today, but the Arab League seems incapable of taking initiatives for them, as no leading countries (Egypt, Saudi Arabia, and Syria?) could lead others in these regards, if not, possibly, Iraq. So, Arab nationalism hasn't produced concrete forms of Arab regionalism, excepting some financial aids from oil exporting states to poor countries. Most Arab states have failed to industrialize themselves and depend on export of oil or agricultural products to advanced

countries (the EU, the USA, and Japan), trading little among themselves. But there have been attempts at sub-regional grouping of neighboring states such as the Gulf Cooperation Council and the Arab Maghreb Union. The latter was formed in 1989 among the five North-West African Arab states (from Libya to Mauritania), but territorial disputes over Western Sahara, the civil war in Algeria, and UN-imposed sanctions against Libya for its terrorist acts, etc. have hindered its development. So, let us see the only meaningful example of Arab regionalism, the GCC, in some detail next.

2) The Gulf Cooperation Council

This grouping of six Arab oil exporting countries in the Gulf region (Saudi Arabia, Kuwait, the UAE, Oman, Qatar and Bahrain) was established in 1981, as a response to the outbreak of the Iran-Iraq war. The foreign ministers met in Riyadh and appointed a Committee of Experts, which submitted proposals for military as well as economic cooperation. The rulers then met at Abu Dhabi to sign the charter and constituted themselves as the Supreme Council of the GCC, promulgating a Unified Economic Agreement which called for establishing uniform tariffs on goods and nondiscrimination among member-states with regards to labor and capital. Furthermore, the Council set up a Gulf Investment Corporation to promote economic diversification and a permanent committee of GCC chiefs of staff to coordinate strategic planning and arms procurement. The first combined military exercises were held in the UAE in 1983.

However, as the Iran-Iraq war gradually wound down and the six countries faced unprecedented economic difficulties coming from slumping oil prices combined with wartime disruptions, economic integration among member-states stalled and they rather resurrected trade barriers and severely restricted the flow of cash reserves and investment capital. In the security area, the outbreak of the tanker

war in 1984 prompted combined air maneuvers and a decision to create a GCC Rapid Strike Force. But such strategic collaboration was also superseded by each member-state's quest for protection by and arms procurement from great powers.

The Kuwait-Iraq conflict and the Gulf war in 1990-91 stimulated the multilateralism of the GCC again. The Supreme Council met at Doha in 1990 and adopted a declaration which promised redoubled efforts to promote coordination among the member-states in all fields. In the following year GCC finance ministers agreed to creation of a US\$10 billion fund to support Arab and Islamic countries which suffered from the Gulf war. A center for the arbitration of commercial disputes among member-states was opened in Bahrain in 1994, and unification in cellular phones, cargo handling charges, automated teller machines, etc. was achieved in those years. However, the assistance fund was entrusted to Saudi Arabia, a combined strike force was denied to become a permanent force (i.e., it remained an emergency formula), and territorial disputes among some member-states prevented the GCC from promoting military collaboration. In economic spheres, member-states tended to compete, rather than cooperate, with each other by establishing duty-free zones to solicit foreign investment, boosting subsidies on public utilities and staple goods, and so on.

The pressure for globalization, particularly that which was related to trade with the EU and desire to join the WTO, drove the GCC to unify tariffs and implement a Customs Union in 2003. Internal tariffs were none for local products (although the 'local's definition of 'more than 40 percent of value added is generated within the GCC' is difficult to put into practice), and now the external tariffs are set at 5 percent for most products. Practical details of numerous issues are to be resolved, including tariff exemptions, standards, revenue distribution, etc. A single currency is envisaged to be adopted in 2010.

However, the share of intra-regional trade in the GCC had only slightly

increased from 5 percent in 1982 to 7 percent in 2000. The most important reason for this poor result is that the member-states have similar economic structures and little mutual complementarity, depending on oil-export and import of manufactured goods from industrialized countries. In addition, there are a number of non-tariff barriers, too, which include³¹ :

1. The lack of harmonization between the GCC laws and legislation and those prevailing in the member countries.
2. Slow progress on the standardization of products and measurements.
3. Lack of consensus on a unified policy on the role of the public sector vis-à-vis the private sector with regard to incentives and regulations that may inhibit the competitiveness of the private sector in each country.
4. Bureaucratic formalities also hinder the intra-regional trade integration.

4. Conclusion

In this paper, we have taken up two cases of regionalism which are not usually considered advanced from orthodox approaches stressing formal integration modeled after the case of the European Union. The case of East Asian regionalism may be, however, well advanced seen from the NRA which was explained in the second section. The case of Arab regionalism cannot be considered advanced even by this approach, and so let us briefly compare the two cases here.

- 1) The Arab Middle East is more or less united in its Arab nationalism against Western imperialism and Israel, but has failed to unify Arab states into one and instead built local nationalisms based on individual states. East Asia didn't have such a shared identity, containing diverse nations, languages, and religions, but is now building up some sense of community.
- 2) Trade and investment are serving as an integrating factor in East Asia as member states' diverse industrial bases and natural endowments are more

or less complementary toward each other. The Arab Middle East is little being integrated economically as intra-trade and investment levels are very low, lacking industrial goods to export.

- 3) East Asia has had ASEAN as the core of regionalism expanding into APT which begins to serve as the framework for community building. The Arab Middle East has the Arab League, but it only worked as the formal stage for cooperation in the fight against Israel, and has not helped economic cooperation among member states. The GCC is a club of oil-rich kingdoms and would not be able to serve the entire Arab region as ASEAN does for East Asia.
- 4) East Asia still has problems in region building as diverse political and economic interests bring out conflicts. The Arab Middle East may now be ready to promote economic cooperation as military or political cooperation is not so needed any more and most states are eager to develop their economies through privatization and FDI.

The above points demonstrate that regionalism as a regionalist project differs in scope and degree of regionness. Political regionalism, though considered by the NRA to represent only one dimension, is indeed growing in importance not only due to the recent spate of political activities that have stirred interest in all sectors of society but also due to the limitation of civil society groups that are capable of creating contending forms of regionalism in emerging regions. However, this is not to deny the existence of civil society or their significance in the future. No matter how regionalism may unfold, it is anticipated that the trajectory of cooperation in East Asia and the Arab Middle East would notably evolve in diverse ways, according to the internal needs of each region. The historical understandings and cognitive structures of actor relationship play important roles in shaping the processes of

regionalization and the regional dynamics to respond to the challenges and opportunities of an interconnected world.

Notes

- 1 Schulz, Michael, Fredrik Soderbaum, et al. (2001), Introduction : A Framework for Understanding Regionalization. In M. Schulz, F. Soderbaum and J. Ojendal, eds. Regionalization in a Globalizing World : A Comparative Perspective on Forms, Actors and Processes. London, Zed Books, p. 3. See the same page for a list of differences between the old and the new regionalisms.
- 2 If examples of the old regionalism are limited to a few such as the European Economic Community (EEC), the League of Arab States and the Association of Southeast Asian Nations (ASEAN), the new regionalism covers a much wider spectrum from the North American Free Trade Agreement (NAFTA) and the South American Common Market (or Mercosur) to the Common Market for Eastern and Southern Africa (COMESA), the Gulf Cooperation Council (GCC) and the South Asian Association for Regional Cooperation (SAARC), right up to the Asia-Pacific Economic Cooperation (APEC) and the ASEAN Plus Three (APT).
- 3 The figure for East Asia is the average of the ASEAN-4 (5.8 percent), the NIEs (5.6 percent) and China (9.5 percent). The figure for the Middle East includes Arab countries and Iran. IMF World Economic Outlook, September 2005.
- 4 It is however projected that once Iraq kick-starts its battered economy, stronger intra-regional trade could be realized.
- 5 For the first volume, see Hettne, Bjorn, Andras Inotai, et al., Eds. (1999), Globalism and the New Regionalism (Volume 1). London, Macmillan Press Ltd.
- 6 Hettne, Bjorn (2003), The New Regionalism Revisited. In F. Soderbaum and T. M. Shaw, eds. Theories of New Regionalism. New York, Palgrave Macmillan, p. 41.
- 7 Levis, Martin W. and Karen E. Wigen (1997), The Myth of Continents : A Critique of Metageography. Berkeley, University of California Press ; Soderbaum, Fredrik (2002), The Political Economy of Regionalism in Southern Africa (Doctoral Dissertation). Department of Peace and Development Research (Padrigu). Goteborg, Goteborg University.
- 8 Ohmae, Kenichi (1995), The End of the Nation State : The Rise of Regional Economies. New York, The Free Press, p. 80.
- 9 Schulz, Soderbaum & Ojendal, 2001, p. 5.
- 10 On 'regionness', see Hettne, Bjorn and Fredrik Soderbaum (2002), Theorising the Rise of Regionness. In S. Breslin, C. W. Hughes, N. Phillips and B. Rosamond, eds. New Regionalisms in the Global

Political Economy. London, Routledge, pp. 37-39.

- 11 See Andrew, Wyatt-Walter (1995), Regionalism, Globalization, and World Economic Order. In L. Fawcett and A. Hurrell, eds. Regionalism in World Politics : Regional Organization and International Order. New York, Oxford University Press, p. 77.
- 12 Soderbaum, 2002, p. 5.
- 13 Hveem, Helge (1999), Political Regionalism : Master or Servant of Economic Internationalization? In B. Hettne, A. Inotai and O. Sunkel, eds. Globalism and the New Regionalism. London, Macmillan Press Ltd. 1, p. 87.
- 14 The causes for failed regionalization could be external interference and/or lack of internal triggers such as interdependence, homogeneity, common fate and self-restraint. On the internal variables, see Wendt, Alexander (1999), Social Theory of International Politics. Cambridge, Cambridge University Press, pp. 343-63.
- 15 Wendt, Alexander (1992), "Anarchy is What States Make of it : The Social Construction of Power Politics." International Organization 46(2), p. 395. Authors' emphasis.
- 16 Ba, Alice and Matthew J. Hoffmann (2003), "Making and Remaking the World for IR 101 : A Resource for Teaching Social Constructivism in Introductory Classes." International Studies Perspectives 4, pp. 21-22.
- 17 Soderbaum, 2002.
- 18 Hettne, 2003, p. 26.
- 19 WTO and IMF official websites.
- 20 Inoguchi, Takashi (August 2004), "Rethinking the International Order in East Asia : Neither War Nor Peace." Opinions, Glocom Platform. See also Shiraishi, Takashi (2004), "Creating a Community." Asia-Pacific Perspectives 2(7), p. 20.
- 21 See Higgott, Richard and Richard Stubbs (1995), "Competing Conceptions of Economic Regionalism : APEC versus EAEC in the Asia Pacific." Review of International Political Economy 2(3), pp. 516-35.
- 22 While the APT is often claimed to be the EAEC in all but name, there are important differences. See Teh, Benny Cheng Guan (2003), "Building an East Asian Community : The ASEAN+3 Process." Socio-Environmental Studies 8, pp. 131-33.
- 23 See Beeson, Mark (2003), "ASEAN Plus Three and the Rise of Reactionary Regionalism." Contemporary Southeast Asia 25(2), pp. 251-268.
- 24 Shiraishi, Takashi (2005), "The Asian Crisis Reconsidered." RIETI Discussion Paper Series, 05-E-014, pp. 1-28. Considering that the AMF was shot down, Shiraishi noted that the US did not oppose the NMI because Japan had made a deal with the US whereby the US can set up a special account at the IMF to bail out Brazil while Japan would initiate the NMI to revive the East Asian economies.
- 25 On the activities, see ASEAN Official website, [[http : //www.aseansec.org](http://www.aseansec.org)].

- 26 Nabers, Dirk (2003), "The Social Construction of International Institutions : The Case of ASEAN+3." International Relations of the Asia-Pacific 3(1), pp. 130-31.
- 27 ASEAN Secretariat (2004 a), Chairman's Statement of the 8 th ASEAN+3 Summit : Strengthening ASEAN+3 Cooperation. Jakarta, The ASEAN Secretariat.
- 28 The Star, 29 November 2004.
- 29 On the discussion of the ASEAN way, see Snitwongse, Kusuma (1995), "ASEAN's Security Cooperation : Searching for a Regional Order." The Pacific Review 8(3): 518-530 ; Haacke, Jurgen (1999), "The Concept of Flexible Engagement and the Practice of Enhanced Interaction : Intramural Challenges to the 'ASEAN way'." The Pacific Review 12(4), pp. 581-611 ; Nischalke, Tobias Ingo (2000), "Insights from ASEAN's Foreign Policy Co-operation : The 'ASEAN way', a Real Spirit or a Phantom?" Contemporary Southeast Asia 22(1), pp. 89-112 ; Acharya, Amitav (2001), Constructing a Security Community in Southeast Asia : ASEAN and the Problem of Regional Order. New York, Routledge.
- 30 Sources for this section include : Dawisha, Adeed (2003), Arab Nationalism in the Twentieth Century. Princeton University Press ; Barnette, Michael N. (1998), Dialogues in Arab Politics. Columbia University Press ; Sella, Avram (1998), The Decline of the Arab-Israeli Conflict. State University of New York Press ; Hinnebusch, Raymond (2003), The International Politics of the Middle East. Manchester University Press.
- 31 Dar, Humayon A. & John R. Presley (Sept. 2001), "The Gulf Cooperation Council : A Slow Path to Integration?" The World Economy 24(9), pp.11-64. Other sources for this section include : Lawson, Fred H. (1997), "Dialectical Integration in the Gulf Co-operation Council." The Emirates Occasional Papers 10, The Emirates Center for Strategic Studies and Research ; "Gulf Cooperation Council" Foreign Trade Barriers, www.ustr.gov/2004/2004_National_Trade_Estimate/2004_NTE_Report/, accessed on 27 December, 2005.