

## BOOK REVIEWS

### **The Making of Northeast Asia**

Kent Calder and Min Ye (eds.)

Stanford: Stanford University Press, 2010

ISBN 10-0-8047-692202 (Price: \$24.95)

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Considerable research has been devoted to unraveling the complicated warp and woof of East Asia's onrushing regionalism. This book breaks from studies that take as the key unit of regional analysis either ASEAN (presumably in 'the regional driver's seat'), all of East Asia (the prevailing template of recent interactions), or the Asia-Pacific (the unit that most accounts for the preeminent East Asian influence of the United States). Calder and Ye argue instead that 'the increasingly intense and profound economic and social interactions within Northeast Asia ...' (p. 251) are forging Japan, China, and South Korea into a far more significant 'synergistic entity'. In stressing the cooperative dimension of relations among these three powerful countries, the book not only calls for a new focus for regional analysis, but it also challenges the more traditional treatment of Northeast Asia as a hotbed of geopolitical tensions and rivalries.

Four arguments are advanced to justify this approach. First, Northeast Asia is by far the economic and political-military heart of the continent. Secondly, this powerful core is becoming more internally cohesive. Thirdly, extra-regional investment is shifting from Southeast to Northeast Asia. Fourth and finally, Northeast Asia is the repository of

vastly higher levels of capital formation and technological progress than the rest of Asia.

The book is replete with much a blending of familiar and new evidence of the deepening regional ties in Northeast Asia through enhanced economic interdependence, culture interactions, political meetings, and policy dialogues. Economic interdependence has admittedly achieved greater depth than political and institutional links, but the latter are developing rapidly; a compelling chart (p. 20) catalogues many high-level institutional arrangements in place over the last decade.

Catalyzing this increased cohesion, argue the authors, were the two recent financial crises. The first (1997–98) demonstrated to a large number of Asian leaders how collectively vulnerable they were to the regional ripple effects of a seemingly minor currency crisis in Thailand. Asia generally and Northeast Asia more specifically responded with enhanced efforts to boost their foreign reserve holdings; to deepen intra-regional economic and financial ties through new institutional mechanisms, and to set up firewalls against the most depredatious effects of unregulated ‘hot money’ surging into (and out of) the region. The subsequent Lehman crisis (2008–09) reaffirmed these initial Asia-wide efforts at buffering. In Northeast Asia the crisis also energized moves toward trilateral cooperation, leading most notably to the annual summit meetings among the leaders of China, Japan, and South Korea.

A series of domestic political shifts within all three countries have also furthered enhanced ties. Powerful domestic constituencies in each of the three countries now contend that cooperation, particularly in trade and investment, should supersede the atavistic divisiveness of historical memories, territorial disputes, and security mistrust. Although these domestic constituencies often approach ‘the making of Northeast Asia’ with alternative visions of their ideal regional arrangements, there is enough general overlap among this tri-national epistemic community to propel their respective governments to greater levels of institutional cooperation. In the terminology of regional generalist Walter Mattli, this has resulted in an increase in the ‘supply’ of domestic regional impulses that is now beginning to match the ‘demand’ for greater regionalization stimulated by external challenges, such as globalized finance or the seigniorial power of the US dollar. In this complex mix, as Calder and Ye see it, the United States stands ambivalently as ‘...the main potential inhibitor of their deepening regional interaction, but a potential regional stabilizer as well (p. 61).’

At the same time, deepening ties across Northeast Asia, the book stresses, though often defensive vis-a-vis the financial implications of the so-called 'Washington consensus,' remains largely congruent with enhanced globalization of national economies, constituting a strategy to embrace the larger world, but on Asian terms.

Much of the story in the book will be familiar to followers of East Asian regional developments though the emphasis on the specificity and power of ties among the Northeast Asia countries alerts us to a potential shift in the axis of East Asian regionalism. A number of more recent empirics nail down their case.

Those interested in regional relations will thus find much to applaud in this book. At the same time I wish to highlight two areas where I find the book longer on promise than on delivery. The authors claim that their greatest theoretical contribution lies in what they call the 'theory of critical junctures'. Key international crises, they argue, confront national decision-makers with new challenges forcing them to consider (though not necessarily to adopt) new approaches to longstanding problems. Critical junctures can thus be seen as the crossroads from which East Asian regional institution building has progressed. Calder and Ye list some 27 regional endeavors they believe can be best understood through this lens. The bulk of their analysis, however, concentrates on three specific junctures – the Korean war which they see as stimulating a rejection of embryonic regional efforts in favor of the 'hub and spoke' system of US-based alliances; the 1997–98 Asian financial crisis which spurred institutionalized efforts as regional financial cooperation across all of East Asia; and the 2008 Lehman crisis which they contend was critical to the recent deepening of cooperation among the Northeast Asian three. Despite its compelling post hoc logic – clearly few new institutional arrangements are likely to grow out of bureaucratic routine – 'critical junctures' are hard to identify before the fact. We cannot determine *in advance* what kinds of historical events will in fact prove to be critical junctures nor can we determine whether or what kind of institutional response might follow any particular critical juncture. Will it be enhanced regionalism or just the reverse? We can not tell; the Korean War pushed one way; the Lehman crisis another.

A second concern involves domestic politics. I applaud the authors' efforts to integrate domestic politics into the analysis of regionalism and to demonstrate how domestic political coalitions have formed in each

country and are fostering greater regional cooperation and interdependence. But fissiparous domestic political forces in Northeast Asia are ignored only at one's analytic peril, whether in the form of xenophobic nationalists, economically motivated protectionists, or geopolitical strategists anxious to hedge against future threats. Domestic politics in China, Japan, and Korea suggest that 'The Making of Northeast Asia' will not be a bump-free road toward regional nirvana.

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doi:10.1093/irap/lcr019

Advance Access published on 6 October 2011

## **Rising States, Rising Institutions: Challenges for Global Governance**

Alan S. Alexandroff and Andrew F. Cooper (eds.)  
Waterloo, Ontario: The Center for International  
Governance Innovation, 2010.

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The global financial crisis of 2008 has strengthened the general impression that the decline of the United States and the rise of new powers such as China and India are simultaneously in progress. A shift in the balance of power must significantly affect the way of global governance. This is a subject of great importance in world politics. In the words of Robert Gilpin, 'the fundamental problem of international relations in the contemporary world is the problem of peaceful adjustment to the consequences of the uneven growth of power among states'. Since around 2010, scholarly attention has been paid to the impact of emerging new powers on global governance. One of the very first books is the volume under this review, *Rising States, Rising Institutions: Challenges for Global Governance*. This edited volume is the second book that was produced by the collaborative work between the Center for International Governance Innovation (CIGI) – a Canadian think tank based in Waterloo, Ontario – and the Woodrow Wilson School of Public and International Affairs, Princeton University. (The first book from this