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# Liberal International Order under Strain and Regionalism in East Asia

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Is liberal international order (defined as an open economic system and multilateral governance) in retreat? Is the spectre of the 1930s coming back to haunt the world again? Such apprehensions are reinforced by the perception that nationalism, protectionism, isolationism, and unilateralism are on the rise in different parts of the world, as epitomized by the Brexit referendum, election of Donald Trump as the president of the United States, and worrisome strides by far-right populist parties in Europe.

The liberal international order was a political product underpinned by the American hegemony, which was supported by the Western alliance during the Cold War period and extended to rest of the world in the post-Cold War era. Hegemony involves at least three elements: capacity, willingness, and common social purposes. It is a legitimate question to ask whether the liberal international order is coming to an end, now that, first, the American hegemony is in decline (while the power of China is on the surge, for example), and second, America itself, the hegemon of the day, is turning away from the liberal international order under the Trump administration. Then, will the trend of globalization, and regionalism as a complement to it, be reversed? Globalization means overall increase in the freedom of movement of goods, services, capital, labor, ideas, and culture assisted by the development of transportation and communication technology, whereas regionalism is a part of, and a reaction to, globalization at the same time. One can say that regionalism is globalization on a small scale.

What is going to happen to globalization and regionalism? Maybe it is a mere wishful thinking, but

my hunch is that the return of the 1930s is unlikely, and globalization and regionalism will stay here not only in the long run, and if managed carefully and prudently, it could also gain some steam in the short run.

First, on the structural level, I would like to point out two factors that work in favor of the liberal international order. The biggest difference between now and the 1930s is the level of institutionalization. Unlike in the 1930s, dense networks of cooperation among nations underpinned by myriad of institutional mechanism are deeply entrenched not only on the global level but also on the regional and bilateral level in various areas such as trade, finance, security, technology, environment, and migration. As pointed by Robert Keohane, while the existence of a hegemon is necessary to create an open economic system, once in place, the institutional arrangements and the habits of cooperation it spawns stick there even if the hegemon is not operative.

Second, while it is true that China is rapidly becoming a challenger to hegemonic America, it is doubtful that China at the moment really aspires to take the status of global hegemony and reverse the trend of globalization. For the moment, China seems more interested in being as a regional hegemon in East Asia, which the US is not yet keen to acknowledge. Moreover, China is also the biggest beneficiary of globalization.

There were several occasions wherein the talk of the decline of American power was in vogue: the launch of Sputnik by the Soviet Union in 1957; the breakdown of the Brettonwoods system and the breakout of Watergate scandal in the 1970s; and the rise of Japan in the 1980s. The US bounced back every time and still remains as the preponderant power although a feeling of fatigue about the role of world police may be settling in.

It therefore seems premature to predict that the US is in an irreparable course of decline. As long as the US hegemony persists, the liberal international order will not easily recede. Furthermore, even if the US under the Trump administration recoils from liberal international order, it would not lead other countries to follow suit. Rather, it would give other countries an incentive to preserve the liberal international order more vigorously because that is in their interests. Even Britain made its determination public that it would become a "global UK" rather than retreat into isolation from Europe and the rest of the world.

However, the survival of the liberal international order cannot be taken for granted. These days, issues of globalization and regional integration tend to be highly politicized in domestic politics, as recently shown in Europe, the US, and Korea. Regional integration is getting increasingly difficult because it enters the realm of mass politics, while in the past it was largely an elite affair.

The reasons for the intensified politicization seem to be twofold: distribution and emotion. There is

a perception that globalization, and regionalism as its little brother, are the culprits for the worsening of wealth distribution. Many countries in the world are experiencing prolonged economic recession or "growth without employment," resulting in high unemployment rate and polarization in income and employment. True or not (because technological development is also responsible for radical reorganization of industrial structure), the distributional issues should be addressed in earnest. Maybe it is time for regionalism 3.0. European integration in the 1950s and 1960s and the attempts of the countries and regions in other parts of the globe that followed suit was regionalism 1.0, and regionalism in the 1980s and 1990s, characterized by the "relaunch of Europe" and renewed efforts for regionalism in various parts of the world in lieu of the end of the Cold War was regionalism 2.0. Regional integration is in nature market friendly, so the phenomenon of market failure is very likely, worsening of inequality being one of the thorniest issues. Regionalism 3.0 should take redistribution seriously and must be equipped with an adequate compensation mechanism. Otherwise, popular dissent is likely.

To confine the scope of discussion to East Asia, the biggest challenge for globalization and regionalism would be the nationalist sentiments. Even in Europe, where nationalism was believed to be almost moribund, it is coming back. In East Asia, nationalism has always been well and alive and remains as a cherished political ideology due to the colonial past many countries in this region experienced, with historical memory being reproduced and reinforced. In East Asia, the notion of nationalism is almost equivalent to sovereignty and national autonomy, which is not very conducive for regionalism because regionalism involves transfer of sovereignty and limits on autonomy.

Then, the question is, how do we tame nationalism in East Asia. It is a daunting task, given the eagerness of politicians to use them as a convenient tool for raising their political standing. To avoid nationalism as an obstacle to regionalism, East Asian countries should first concentrate on highly technical issues as stipulated in the functionalist logic, which worked pretty well in Europe for some time. Furthermore, it is necessary to build a bi-partisan support and make the issue politically less divisive, as broad consensus on European integration among major political parties in EU member countries helped greatly the integration project go along. In addition, a logic that reconciles the alleged contradiction between nationalism and regionalism is required, as in the case of Europe wherein regional integration was an effort to "rescue nation-states" (regionalism as an extension of nationalism or two norms as mutually reinforcing).

Above all, it is important to keep discourses on regional integration going, no matter how gloomy the prospects for regionalism turn to be. Just as nation-states are "imagined communities" in the first place, a regional community could come into reality only when it is imagined, debated, and attempted. Hence, more occasions like today's gathering will be helpful.

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