

The rise of China in economic cooperation International in the East Asia Region

ISMAIL SULTANSOY

Sabanci University, Turkey

Email: ismail1@gmail.com

Abstract

East Asian economic characteristics that involve the role of the state as well as the development of the industry, has been relatively creates confidence in the market so that the flow of capital, goods, and services began to lead to the region since the late 20th century. The excess of the advance of China as the new political economic power is also growing wider market in Southeast Asia. The emergence of China as the dominant country in the world political economy are not purely derived from the ability of domestic governance, but also factor disclosure strategy in East Asian economies led by the extractive industry transformation towards manufacturing industry. This expansion translates into core industry sectors in East Asia. This article is intended as a preliminary study on the degree of China's industrial sector expansion in East Asia, as well as identifying the internal factors in the expansion of China's influence. By using the approach as well as the extended behavioralism regionalism as a tool of analysis, this article finds that China is a state actor who is more emphasis on manufacturing and trade sectors of consumer goods as a strategy into an economic hegemon in its own region, formerly controlled by Japan.

Keywords; China, East Asia, economic expansion, industrial economy regionalism

A. INTRODUCTION

The rise of the Chinese economy is an interesting thing to study. This was specifically reflected in China's need for high economic growth as a sign of its rise. In the 20th century, China began experiencing a variety of revolutions that made domestic economic stability turbulent, so that China through its centralistic leadership sought to modernize its economy and produce pragmatic policies. In the post-Mao Zedong administration, China began to grow as an economic power that was open to international cooperation. During the reign of Deng Xiaoping thereafter, this openness was increasingly relaxed, primarily to reconstruct the economic crisis caused by isolation trade during Mao's time. This openness is also accompanied by the slowly inclusion of elements of democracy in the management of international relations. In the 21st century, this openness has increasingly led to the expansionary and hegemonic goals of China's international political economic policy. Hu Jintao realized this goal by launching The Peaceful Rise of China, the revival of peaceful China, on December 22, 2005 in the document China Peaceful Development Road (known as heping fazhan in Mandarin). By the United States (US), in the document, China is perceived to have five strategies for achieving economic excellence in the framework of development (The State Council Information Office, 2006: 12), namely a) Peaceful development is an inevitable way towards China's modernization; b) promote world peace and development in line with China's own growth; c) reforms and innovations in the search for mutual benefits and common development with other countries; d)

development by relying on one's own strength; and e) building a harmonious world in sustainable peace and shared prosperity.

China also began to enter the era of multilateral trade after officially entering the World Trade Organization (WTO) in 2005. This is an important maneuver for China, because China has fully applied the principles of the market economy. But in practice, China is suspected of building an advantage to rival the strength of the US economy. The first line to build competition is in the East Asian region, because it is geopolitically advantageous for China, the sizeable accumulation of US capital in the region, and also a factor of several important countries that become the US alliance. For this reason, China is trying to redefine East Asian identity along with its economic interests. This is reflected in China's efforts to become a leader in regional economic cooperation in East Asia in the 21st century which will be elaborated later in this article. There are three characteristics worthy of attention in East Asia (Yoshimatsu, 2008: 8-9) mention, namely a) the politics of great power that constructs the framework of regional dynamics in East Asia, which was previously established by the US through the Pacific war; b) major East Asian countries have strong resilience to their respective sovereignty in the socio-cultural sphere, thereby inhibiting the formation of regional identity (Pempel, 2005: 257 in Yoshimatsu, 2008); and c) the superiority of the state in controlling the people and communities within it. Implied by these characteristics is that East Asia is a region that has direct relations with US interests, and this relationship is facilitated by the state. The implication of these characteristics directly in terms of economic globalization is the growth of money markets and financial transactions which simultaneously also have an impact on the restructuring of transnational production on a global scale. For the country, it will be very beneficial if it can take advantage of geographical proximity with the major countries around it, because it will reduce trade and development costs. But this is not always the case with political alliances that are relatively difficult to build, especially because of the characteristic factors discussed earlier. For this reason, it is very natural that China has several economic integration strategies that give a new political color to the formation of East Asia from its own glasses as a way to promote China's rise.

B.DISCUSSION

The Urgency of Chinese Leadership in East Asia

East Asia is a vast region geographically and demographically and ideologically diverse. The definition of the East Asian region is very diverse, both geographically and socio-politically. There is some understanding of the East Asian region in this article; i.e. only China, South Korea, Japan and Taiwan; to the expansion of the area which also encompasses eastern Russia, North Korea and Southeast Asia within ASEAN +3. This article uses the latter understanding, due to the close geo-economic relationship with the surrounding area. What's more, the concept will open up more varied economic cooperation. There are several economic cooperation strategy opportunities that have been developed previously in East Asia. These opportunities also reflect political options that have consequences for the economic

sector. After the Cold War, much East Asian economic cooperation was characterized by a framework of regionalism. Regionalism is built in the context that the existence of certain countries plays the core of cooperation that still directs development strategies based on the state holding the strongest position as controller (Grimes, 2009: 107).

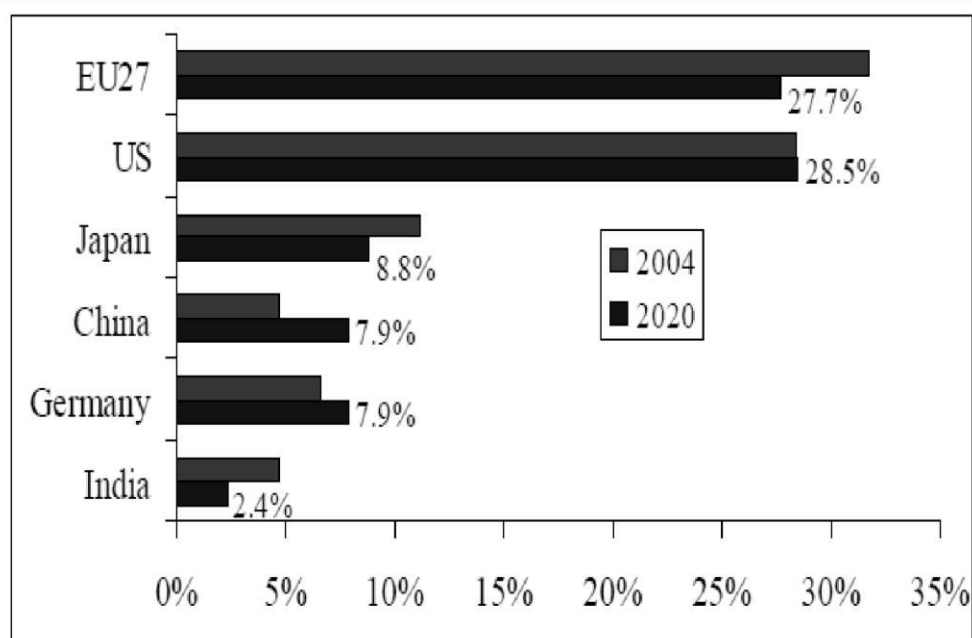
There are several opinions about the concept of East Asia, for example the true concept of East Asia as a region is a relatively new thought, as well as leadership in the region. The concept of the East Asia Economic Caucus (EAEC) which was coined by Mahathir Mohammad in the 1990s, the Prime Minister of Malaysia at that time, failed in its realization (Terada, 2003: 255-256). EAEC directs East Asian economic cooperation led by Japan, because Japan is a member of the G7 and the country with the second largest economic power in the world. Because of his coherent foreign policy orientation with the United States, Mahathir's proposal did not work, even though Malaysia desperately needed the appearance of Japan because of the similar economic orientation of the two countries. Japan is also reluctant to return to political or military leadership in East Asia, mainly because of the historical factor of the Pacific War which is politically unfavorable for Japan. Japan has a lot of directing its interests in the economic sector and technology innovation. East Asia integration must begin by assuming that East Asia is a factory of Asian Factory, where each sub-region functions well so as to produce quality products. However, East Asia faces vulnerability in that view, if you look at several factors (Baldwin, 2008: 449-478) namely, (a) the competitiveness of each country will only increase if intra-regional trade in East Asia also increases; (b) individual countries cannot cut trade tariffs unilaterally because they are bound by WTO regulations; (c) the absence of a top-level management other than within the WTO framework, which could later prevent trade conflicts from spreading throughout the region.

The idea of ASEAN + 3 is structured based on the context of the order of resistance to the risk of crisis. ASEAN + 3 is hoped to be able to make itself a place for cultural exchange, business, and even the practice of economic diplomacy and commercial diplomacy. After the 1997-1998 Asian crisis, the Chiang Mai Initiatives (CMI) emerged as an alternative to dealing with a wave of crisis that might strike again, within the framework of ASEAN + 3 in 2000. This collaboration was only renewed to the Chiang Mai International Initiatives (CMII) in 2010 (Peterson Institute of International Economics, 2011). CMI is a proposal for currency swap cooperation or currency exchange in a financial context, especially regarding a country's foreign exchange reserves. If a country's currency is weak because of the crisis, then the mechanism of currency conversion in foreign exchange reserves is a wise choice not to reduce the quantity of foreign exchange reserves. Through one of these examples, the financial problem is a macro-economic problem that is unavoidable to consider when facing a crisis. There is a discourse on the formation of the East Asian Economic Community (EAEC), which is predicted to occur in 2050. The former East Asian Economic Caucus framework, which is only based on East Asian countries, is more beneficial for small countries. Because, if you have to form a regional cooperation, the

form of East Asian Cooperation will be prioritized, because it is more nuanced "Asia" than "Pacific" carried by APEC. Because of the economic liberalization agenda that he put forward, it certainly will lead to the opening of a wide free market. Meanwhile, if the US and Canada have also been incorporated in the North American Free Trade Area (NAFTA) which has been established as a regional free market. This will possibly subordinate the bargaining position of other East Asian countries.

These four opportunities are opportunities for China to develop dominance in East Asia, because China is slowly becoming a benchmark for foreign policy in the economic sector in the region. The European Union (EU) and the US are predicted to remain the largest markets, but China will be able to keep pace with Germany in the following decade in nominal gross domestic products (GDP). One indicator of GDP is the ability of a country to reap trade benefits. The chart below is a reflection of the development of GDP in 2020.

Graph 1. Prediction of the Distribution of World Nominal GDP in 2020



In the regional security sector, China is still shackled by quite a number of territorial conflicts that are deeply rooted with its neighbors, but seeing some of the opportunities above, China still stands as an entity included in the main calculations. China must constantly expand its market to gain political influence. This market expansion function is carried out in Southeast Asia by convincing ASEAN countries to follow their trade patterns with regional diplomacy strategies and encouragement in the form of economic incentives (China Report 48, 3, 2012: 317–326) as happened in the ASEAN China Free Trade Area framework (ACFTA). However, this does not mean that the regions around China have begun to be synocentrically oriented in trade. With the strong interests of the US economy in East Asia, it will be very difficult

for China to maintain the market it has gained. For this reason, China needs to issue many multilateral initiatives to stem the US multilateral scenario in the region.

Status of China's Political Economy in the East Asia Region

Chinese foreign policy in the 21st century put forward the principle of non-confrontation but remains proactive. It is intended to image China which is not aggressive and can work together easily. The principle is a reflection of China's domestic interests and the Chinese Communist Party (CCP) through American Power's internal and soft balancing. China emphasizes economic development in an effort to stem US unipolarity after the Cold War. In addition, it is important for the CCP to maintain its legitimacy through welfare politics after communism began to fade in China (Wang, 2010: 557-558). Economic development is a slow step back from a controlled economic policy, where the state regulates markets, and markets regulate business entities. This policy was realized in the organization of trade, investment and company-specific zones in the coastal provinces (Hasan, 2008: 580-587). However, there are several conditions that must be considered for its development as a barometer of China's ambition to pursue a central position in the East Asian economic sector.

First, emerging China is also pursuing institutional and multilateral strategies outside its region to redesign order order in the political economy. The multilateral cooperation places the Beijing government as its central point, for example China-Africa Cooperation, the China – Caribbean Economy and Trade Cooperation Forum, and also the China – Arab Nations Cooperation Forum. As a supporter of influence, China is even involved in providing political consultations to the Andean Community, Rio Group, and MERCOSUR. It appears that China prefers to open new cooperation rather than relying on what has been built up (Sohn, 2012: 77-82). This also reflects the mentality of great power and exceptionalism of China as a country that sees other countries operating under its influence, so that all foreign policies are truly directed at home (Zhang, 2013: 306-323). Meanwhile, China sees the Asian region as a strategic channel to embrace the international community, with the hexie yazhou principle that is "Harmonious Asia" both multilaterally, sub-regionally and bilaterally. China is aiming at South Asia, Central Asia and Northeast Asia, by offering the concept of mutual prosperity in the region with a bilateral approach (Hwang and Chen, 2010: 109-110). Secondly, China also plays an important role in trade and financial stability after the 2008 global economic crisis. Its large foreign exchange reserves facilitate China to maneuver in this regard. The choice between China and East Asia for regional cooperation is to strengthen new regionalism (Pangestu and Gooptu, 2003: 107). Some of the reasons put forward include a) the motivation of East Asian countries not to be dissolved in the financial crisis, b) East Asian countries tend to want to cooperate more closely with China, c) the business interests of each country to be more integrated into the market international, and d) developing-scale economic movements to increase competitiveness. Meanwhile, China prefers to play it safe in every East Asia Summit event because of membership issues in the East Asia

Community (EAC), where countries such as India, Australia, and the Pacific are always seen dammed by China in their efforts to be included as members.

After the global economic crisis around 2007-2008, G3 member countries namely the European Union, Japan and the US experienced an economic slowdown. Whereas aggregate economic growth in East Asia alone has reached an average of 8% per year, while world economic growth is only 4% per year in 2010 (UNESCAP, 2011). The momentum of the US economic slowdown is also a great opportunity for China to grow the confidence of South Korea and Japan as the main allies in the region. Third, in the aftermath of the global financial crisis, China also gained better confidence in investing foreign capital, as well as the amount of foreign investment entering the country (World Investment Report, 2013).

The following is the distribution of foreign direct investment in East Asia

Table 1

Distribution of Foreign Investment Between the Economies of East Asia Region (2012)

Table A. Distribution of FDI flows among economies, by range,^a 2012		
Range	Inflows	Outflows
Above \$50 billion	China, Hong Kong (China) and Singapore	China and Hong Kong (China)
\$10 to \$49 billion	Indonesia and Malaysia	Republic of Korea, Singapore, Malaysia, Taiwan Province of China and Thailand
\$1.0 to \$9.9 billion	Republic of Korea, Thailand, Viet Nam, Mongolia, Taiwan Province of China, Philippines, Myanmar, Cambodia and Macao (China)	Indonesia, Philippines and Viet Nam
\$0.1 to \$0.9 billion	Brunei Darussalam and Lao People's Democratic Republic	Macao (China)
Below \$0.1 billion	Democratic People's Republic of Korea and Timor-Leste	Mongolia, Cambodia, Brunei Darussalam and Lao People's Democratic Republic

^a Economies are listed according to the magnitude of their FDI flows.

China's maneuver to attract post-crisis investment needs to be examined as an effort to become a political-economic hegemon in the region, not just as a mere profit-taking action, China provides soft loans to Southeast Asian countries, while the US is still adamantly maintaining its neoliberal policy to devalue its eyes the money. China's leadership has been dominated by its main soft-power since the 1990s, by presenting an embracing and more constructive foreign policy (Sohn, 2010: 504-505). Fourth, Sino-Japanese rivalry in dominating the East Asian region. Japan as an extension of US interests is very dominant in terms of technological development, industry, and development assistance in the region after the Cold War. Related to the central point of domination, Kroeber (2006) states that China pioneered a dominant position in the post-communist period of the emerging market in the Deng Xiaoping era. In addition, China also adopted the East Asian Developmental State model by

imitating the key character of development in Japan in the 1950-1960s and Korea in the 1970s. The two countries mainly implemented industrial transformation policies. The economic situation in East Asia for the past 20 years or so, where the pattern of industrial economic cooperation was led by Japan. During this time Japan also acted as the foremost actor in formation V or the flying geese formation in the pattern of development. However, this has become less relevant in the contemporary era, as China is slowly emerging as a new strategic actor. Gradually, patterns of interaction between industrial regions in East Asia are changing, the focus is on the rise of China's coastal regions in directing the regional economy. ASEAN and Southeast Asia are the battlefield of the market between the two countries, so ASEAN is also a priority of China's foreign policy. In 2000, ACFTA was implemented, and a decade later, China had donated the same amount of savings as Japan (38.4 million US Dollars) to the Asian Currency Crisis Fund (120 billion US Dollars) under the Chiang Mai Initiative Multilateralisation Agreement. China is also trying to balance its bargaining position with Japan in various multilateral forums. The table below tries to show this trend.

Table 2**Chinese and Japanese membership in International / Multilateral Organizations**

Japan	China
ADB, AfDB (nonregional member), APEC, APT, ARF, ASEAN (dialogue partner), Australia Group, BIS, CE (observer), CERN (observer), CP, EAS, EBRD, FAO, G-20, G-5, G-7, G-8, G-10, IADB, IAEA, IBRD, ICAO, ICC, ICCt, ICRM, IDA, IEA, IFAD, IFC, IFRCs, IHO, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC, LAIA, MIGA, NEA, NSG, OAS (observer), OECD, OPCW, OSCE (partner), Paris Club, PCA, PIF (partner), SAARC (observer), SECI (observer), UN, UNCTAD, UNDOF, UNESCO, UNHCR, UNIDO, UNITAR, UNRWA, UNWTO, UPU, WCL, WCO, WFTU, WHO, WIPO, WMO, WTO, ZC	ADB, AfDB (nonregional member), APEC, APT, Arctic Council (observer), ARF, ASEAN (dialogue partner), BIS, CDB, EAS, FAO, G- 20, G-24 (observer), G-77, IAEA, IBRD, ICAO, ICC, ICRM, IDA, IFAD, IFC, IFRCs, IHO, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM (observer), IPU, ISO, ITSO, ITU, LAIA (observer), MIGA, MINURSO, MONUC, NAM (observer), NSG, OAS (observer), OPCW, PCA, PIF (partner), SAARC (obser- ver), SCO, SICA (observer), UN, UN Secu- rity Council, UNAMID, UNCTAD, UNESCO, UNHCR, UNIDO, UNIFIL, UNI- TAR, UNMIL, UNMIS, UNMIT, UNOCI, UNTSO, UNWTO, UPU, WCO, WFTU, WHO, WIPO, WMO, WTO, ZC

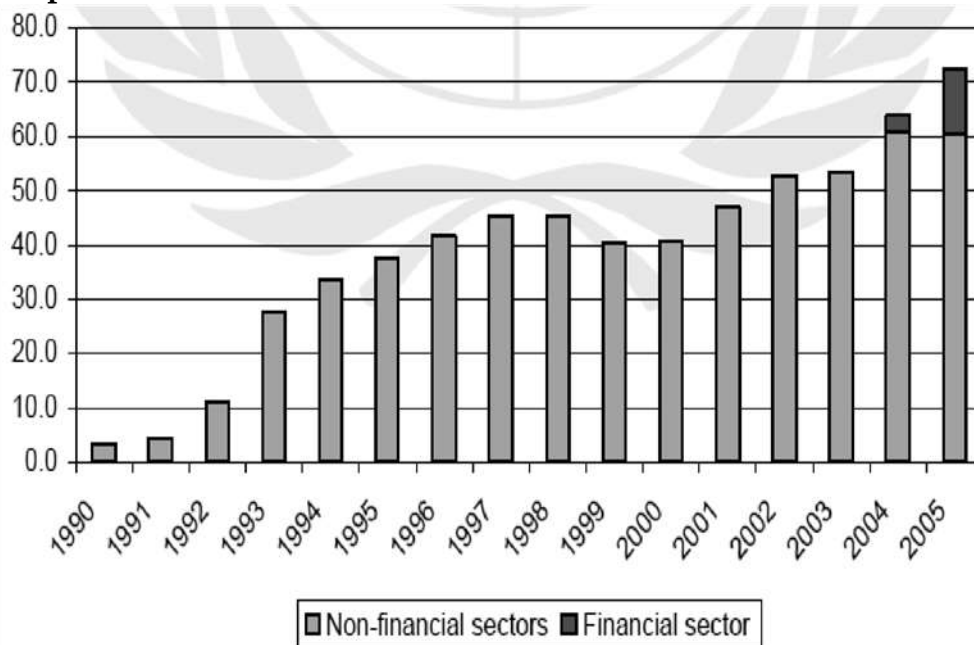
Projections for China's Multilateral Economic Strategy in East Asia

In considering the appropriateness of the form of cooperation, it is very important to look back at the complexity of an area. Regionalism, should be a form of cooperation that reflects equality of identity and equality of fate, and is followed by the formation of institutions that reflect collective action. However, actors (especially countries) in East Asia seem to be looking more in the direction of the global political constellation. Seeing these conditions, East Asian integration is still in the form of open regionalism, where there is no binding agreement in terms of technical or substantial. East Asia is also still in the stage of searching for suitable forms of regional cooperation. This uncertainty seems to be used affirmatively by China, by presenting several initiatives that benefit the country. First, the economic crisis brought many countries to be pragmatic and more protectionist of their economies, but the East Asian region began to reform to form "monetary regionalism" (Dieter and Higgot,

2002). It can also be challenged with a variety of arguments, but it is necessary to look at other developmental gaps within it, and what are the driving factors. But China also continued its efforts to secure its leadership in the financial and investment sectors. China's Deputy Minister of Finance, Zhu Guangyao, emphasized that China supported the establishment of the Asian Infrastructure Investment Bank, and stated the political intention to build its infrastructure in developing countries in East Asia (Xinhua, October 2013).

China has an institution incorporated in its triad of financial policy formulators like most other countries; namely the banking sector, the insurance sector, and the securities regulatory commission. However, China's financial policy standards are not based on the general foreign direct investment (FDI) balance of payments, so that China's investment report does not fully reflect its real investment flow (UNCTAD, 2007).

Graphic 2. Flow of FDI towards China (1990-2005)



China's initiative to develop regional cooperation under its influence will require a strong financial structure, moreover economic growth is the central strategy. Previously, the most amount of FDI entering the country was achieved by Japan, where China reacted reactively during the reign of Deng Xiaoping without a specific strategy with its Open Door Policy. Until 2008, China had been able to become a country with an economy that was driven by production and experienced GDP growth of 10% (Wang, 2011: 200-201). Interestingly, China is also a member of the WTO, but prefers to carry out regional economic cooperation rather than multilateral because it considers the prolonged stagnation of the WTO (Zhang, 2010). The investment strategy was also supported by China's policy of internationalizing the Yuan Renminbi (RMB) currency. This is evidenced by China's consistency in not devaluing the RMB after the 1997-1998 Asian crisis, where the RMB exchange rate was

relatively stable. In effect, East Asian countries are able to provide more confidence in investing, especially capital investment. This is done to erode the belief that China is a threat, as well as to grow China's financial sector as shown in Figure 2 above. It is not clear why China seems less transparent in its exposure to the value of its real investment, but instead China's increased defense budget can be known by estimations in various releases that lead to a sharp increase. The trend that can be observed is that countries in the East Asian region experienced China Shock due to economic and military growth based on values.

Second, industry and trade initiatives. Most of all forms of regional cooperation regimes have a dominant power that directs the prospects of cooperation itself, both from state actors and certain axis of alliance. The dominant power will relatively influence the map of competition, conflict, and patterns of interaction between actors in general. Likewise, the East Asian region, which emphasizes China's very significant role in determining the pattern of relations between the eight core economic regions in East Asia. The eight regions are in China (Zhujiang, Changjiang, Jing-Jin-Ji); Japan (Kanto, Chubu, Kinki); and South Korea (Seoul and Yeongnam region). Kim quotes Akamatsu (1961) that technology transfer can occur from imports of products made by less developed countries from developed countries. Whereas Vernon (1966) focused that industry only developed in high-income developed countries, which flourished because of increased exports. But there are flaws in the concept, which marginalizes the reality that trade is currently framed in economic globalization, which involves multilateral cooperation. Kim emphasized this by quoting Bernard and Ravenhill (1995) that a global production network has formed that transcends national boundaries, so the cooperative strategy needs to shift from inter-state to inter-region. Kim concluded, there are 3 levels of diffusion of the industrial sector as one of the core economic activities in East Asia, namely domestic, supranational, and interregional relations. The eight regions are scattered in three countries: China, Japan, and South Korea. If you look at the regional gross domestic product (GDRP) net income figure, the Kanto region in Japan is far superior. However, this is measured by a currency exchange indicator. On the other hand, when measured using a measure of people's purchasing power, Japan is tightly rivaled by China. Yet for decades Japan has dominated the industrial and trade network sector in Northeast Asia and Southeast Asia. This paper also maps that since the 1980s China began to be successful in manufacturing manufacturing overtaking Japan, but Japan still excels in the service sector, and along with Korea, Japan has been a leader in the financial sector. In 2007, there was a classification of economic landscapes, namely large (Kanto), moderate (Changjiang, Zhujiang including Hong Kong), and the remaining 5 regions which included had a small economic influence. The size of the economy is seen from the percentage of their contribution to the aggregate GDRP.

But there is an estimate that in 2020, there will be a shift in the classification above, the large economic landscape is Kanto and Changjiang, the medium economy is only Zhujiang, and the rest is classified as the smallest scale. It is seen that China is

very dominant and has played down the role of other regions. For this reason, China will almost certainly control the region through industry. Other countries can only make updates in the fields of technology and engineering, but only to adapt to the Chinese movements. To just be able to match seems to be relatively heavy for Korea and Japan, even more so if you want to get past China's progress. The expansion of political influence outside the East Asian region can be seen as an attractive investment factor. Another strategy to increase China's superiority in East Asia is to participate in implementing industrial grouping or clustering, which involves local and national governments. In Japan, there is a strong and specialized grouping of industrial areas, with a focus on the automobile industry, pursuing the transformation of high-tech industries including robots, space and nano technology. While Korea, struggling in information technology, shipping, and the environment. China responded by building clusters in automobiles, petrochemicals, machinery, electronics, steel, clothing, textiles and food. The Chinese government plans to make Beijing a center of political, financial and industrial technology; along with other knowledge-based industry tools. Meanwhile, China developed into the top trading partner for most East Asian countries, and most of the trade relations are driven by eight core economic regions in East Asia. Between 2000-2007, the volume of Korean and Japanese trade to China increased, and again focused on the eight core economic regions. But for China, Korea and Japan are less prioritized as trading partners. So it can be concluded that the coast of China is the most important actor in the relations between industrial regions in East Asia, and is the core link of every domestic inter-regional relationship in the region.

China is also an important actor in South-South economic cooperation. Not only in Asia but also in Latin America, China makes the constellation of trade and regionalism no longer limited by geographical factors, which are also called the new geography of trade (UNCTAD, 2005) which is characterized by a) the increasing market share of developing countries in trade world; b) commodity trading and manufacturing and economic cooperation to achieve critical mass or the ability to produce sustainably, and c) changes in the nuances of North-South interdependence and cooperation requirements. The implementation of an open regionalism strategy also characterizes the Chinese government's approach in embracing the region (Carl, 2001 in Jilberto and Hogenboom, 2007: 324). This approach was also carried out in the East Asian region, so that China's political efforts became

C.CONCLUSION

From Figure 1 above, assuming that by 2020 the Chinese economy will be a leader in East Asia, it is interesting to see how China will achieve it rather than China's achievements in 2020. China's economic growth will be more rapid in the future, because China's coastal regions dominate the balance of power (power balance) in East Asia. There will be a restructuring and adjustment of all movements in China's coastal economy as a political-economic motor in the East Asian region. The

adjustment will also feel heavy on the Chubu, Seoul and Yeongnam sides which requires repositioning and conditioning their territories for trans-border economic activity. But entering the 21st century, the movement of globalization, free trade agreements, and transnationalism activities in global politics play a significant role in shaping the behavior of the actors in it, especially decision makers. For this reason, Kim speculates that the winners in regional economic competition are actors who have "talent" or talent, and technology. This is felt to be more important for economic growth than just paying attention to the division of labor or division of labor. China has indeed become a formidable actor in the economic field by minimizing production costs and all kinds of related efficiencies. Since 1978 during the reign of Deng Xiaoping, China began to be open to foreign trade which is not exclusive even if only in a few contexts. This was followed by the doctrine of foreign policy The Peaceful Rise of China that was launched in the 2000s to give the impression to the world that China does not stand as a threat, but rather as a partner of countries in the world. By promoting soft power diplomacy, China has developed the concept of a friendly and responsible country towards world peace.

The conclusion about this article can be started from contemporary situational analysis. Given the current political situation in East Asia and beyond, the development of China led to asymmetric domination and foreign relations between countries in East Asia, even in other parts of the world. The behavior of other actors within the framework of the eight core regional economic regions is largely determined by the policies adopted by China. The big question is whether China's economic dominance will increasingly integrate the East Asian region, or vice versa. This can be a paradox that is susceptible to turning back to China at any time, if it is not balanced with a calculation of behavior in the area of regional security which is expected to not be aggressive. Aspects of China's superiority are indisputable in the article, but in reality the largest countries in East Asia such as Japan and South Korea seemed to be absorbed, other than because the global economic crisis and natural disasters had claimed their economic progress. The intensity of trade in the East Asian region is quite large in line with the increasing popularity of China in the world. No doubt if China becomes the center of foreign policy formulation of various countries. The pattern of interaction and cooperation in East Asia has been in Chinese control. The dominance of these core industrial zones makes the political-economic constellation in East Asia static, due to lack of competition, especially in the face of China's competitiveness. China is indeed flexible in economic development with its rapid adjustment mechanism. This means that economic transformation has also strengthened. But with regard to political economy, the reflection of Japan and Korea's bandwagoning attitudes from this article reflects the strength of China's foreign policy in the economic field, especially industry and trade. Regional unification in the political economy seems to have the possibility, only if China directs its economic dominance towards regional integration. The form that is quite in line with political ideals such as this is regionalization, which is defined as an expression of increasing

commercial transactions and other transactions made by humans. While regionalism is not suitable as an integration goal, if it does not want to deny the possibility it will be realized. Regionalism is a more sophisticated form of integration, where there is a feeling of equality of identity and equality of fate, and is followed by the formation of institutions that reflect collective action. Meanwhile, it can be said that the characteristics of the dominance of the coastal regions of China were initially a form of interdependence, where China was in dire need of a market for its products which were often mass-produced. While Japan and Korea also need to reduce the cost of production in the country to survive the economic downturn that later hit the global economy. It is not surprising then that China is also not too focused on marketing its industrial products to Korea and Japan.

D.REFERENCES

1. Baldwin, Richard E. 2008. Managing the Noodle Bowl: The Fragility of East Asian Regionalism. *The Singapore Economic Review*, Vol. 53, No. 3
2. Hasan, Rummy. 2008. Reflections on the Impact on China's Polity from the Retreat of State Capitalism. *Journal of Critical Sociology*. Crit Sociol 2008 34: 575.
3. Hwang, Jaeho and Chen Dongxiao. 2010. China's Harmonious Asia Strategy. *International Journal of Area Studies Review* 2010 13: 105
4. Jilberto, Alex E. Fernández and Barbara Hogenboom. 2007. Developing Regions Facing China in a Neoliberalized World. *Journal of Developing Societies*. 23: 305
5. Lee, Jae Seung. 2002. Building an East Asian Economic Community. *Journal of Les Etudes du CERI*, no. 87, May 2002. Center d'etudes et de Recherches Internationales. Paris: Sciences Po.
6. Sohn, Injoo. 2012. After Renaissance: China's Multilateral Offensive in the Developing World. *European Journal of International Relations* Sage Publication <http://ejt.sagepub.com/content/18/1/77>
7. Terada, Takashi 2003. Constructing an 'East Asian' Concept and Growing Regional Identity: from EAEC to ASEAN + 3. *The Pacific Review Journal*, Vol. 16 No. 2
8. Wang, Yuan Kang 2010. China's response to Unipolar World: The Strategic Logic of Peaceful Development. *Journal of Asian and African Studies* vol 45 <http://jas.sagepub.com/content/45/5/554>
9. Wang, Yuzhu 2011. China, Economic Regionalism, and East Asian Integration. *Japanese Journal of Political Science* 12 (2) 195–212
10. Yang, Jian. 2010. Japan's Decline Relative to China: Scenarios and Implications for East Asia. *Journal of Political Science*. Vol 62: 146
11. Zhang, Feng 2013. The Rise of Chinese Exceptionalism in International Relations.
12. *European Journal of International Relations*.
13. <http://ejt.sagepub.com/content/19/2/305>
14. Zhang, Yunling. 2010. East Asian Cooperation Need Innovations, Guoji Jingji Pinglun (*International Economic Review*), 1: 29–37.
15. UNCTAD Investment Brief. Number 2, 2007
16. Kroeber, Arthur. China's Industrial and Foreign Trade Policies: What Are They and How Successful Have They Been ?. 2006. Page 1 website:
17. <<http://www.polsci.indiana.edu/China/papers/kroeber.pdf>> accessed on October 2, 2011. At 17:25
18. Pangestu, Mari and Sudarshan Gooptu. 2003. New Regionalism, Options for China and East Asia. *East Asia Integrates Journal: A Trade Policy Agenda for Shared Growth*. 2003. World Bank Site Source Publications.