



Nonhegemonic Cooperation in East Asian Financial Governance : The Chiang Mai Initiative Multilateralization and Beyond

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Abstract:

This presentation undertakes to identify the key features of institutional cooperation in East Asia to promote financial regionalism. The process employed by this study involves tracking the institutional evolution of East Asian financial cooperation and empirically comparing and contrasting two cases to achieve this article's purpose: the emergence and development of the Chiang Mai Initiative (CMI) and China's recent initiative for the Asian Infrastructure Investment Bank (AIIB). The results demonstrate that CMI, which is widely regarded as one of the most robust institutional arrangements in East Asia, is institutionalized in the form of 'nonhegemonic cooperation' by the ASEAN plus Three countries. 'Nonhegemonic cooperation' refers to the absence of a single actor (or state) that has veto power and is predominant in setting its agendas. This institutional development is contrary to the theoretical expectations of the mainstream IR literature, such as neorealism and neoliberal institutionalism. In contrast, however, the aim of China's AIIB initiative appears to be the promotion of China-centered regional financial cooperation that diverges from CMI-style nonhegemonic cooperation. Will East Asian cooperation be institutionally headed toward a hegemonic form? Or, will CMI-style nonhegemonic cooperation survive China's rise? This presentation concludes by examining the extant theories of institutional cooperation. Particular attention is paid to the question of whether the rational institutional design approach can account for hegemonic and nonhegemonic cooperation.

Yong Wook Lee is Professor in the Department of Political Science and International Relations at Korea University (Seoul, Korea). He specializes in International Political Economy with emphasis on regional and global monetary and financial governance. He is currently finishing up a book manuscript on East Asian financial regionalism, which is a sequel to his earlier book entitled "The Japanese Challenge to the American Neoliberal World Order: Identity, Meaning, and Foreign Policy." (Stanford University Press, 2008) He also recently co-edited a volume, "China's Rise and Regional Integration in East Asia: Hegemony or Community?" (Routledge, 2014).