



# THE COLD WAR IN EAST ASIA

alliances, conflicts and economic miracles



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# East Asia



# **East Asia and modernity**

- i. Historical (pre-modern) connections, rivalries, identities, religions, cultures**
- ii. Imperialism, Nationalism, World War II**
- iii. Cold War alliances and wars**
- iv. Rise of East Asian economic miracles, economic regionalization**

# **Today's lecture**

- i. Alliances – how do they compare?**
- ii. Conflict – why were there hot wars during the cold war in E Asia?**
- iii. Miracles – East Asian developmentalism: why here?**

**Implication: where does this leave E Asia today?**

# The communist camp

- i. **USSR – China - N Korea – revolutionary movements in Vietnam etc.**
- ii. **Low institutionalization**
- iii. **Leader-centric (Stalin-Mao-Kim-Ho)**
- iv. **Smaller partners have significant leverage**
- v. **Fragmentation and rivalry (“Worse than a Monolith”)**

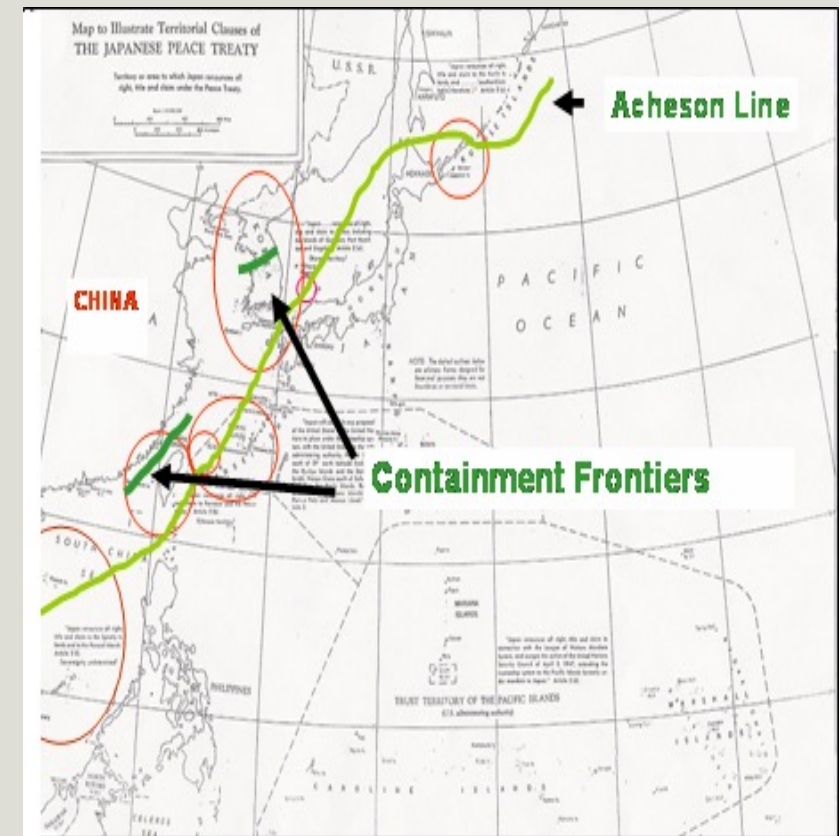


# **The Korean War**

- i. Before 1950: Kim Il Song – wanted to follow China’s successful revolution**
- ii. USSR-PRC no atomic bomb → fear of US**
- iii. Stalin referred Kim to Mao (whose priority was Taiwan)**
- iv. US seemed disinterested**
- v. Kim strategically passing information to Mao and Stalin**

# US commitment to South Korea

- i. Two important documents:
  - i. NSC-48: USSR receives via spy in London
  - ii. Dean Acheson's speech (US State Secretary) Jan 12 1950
- ii. Indicative of the fluidity in strategic priorities → CW not yet in EA
- iii. Does not mention S Korea as part of the defensive perimeter
- iv. “Should such an attack occur, ... the initial reliance must be on the people attacked to resist it and then upon the commitments of the entire civilized world under the Charter of the United Nations”
- v. Stalin gave green light to Kim



# **Korean War: June 1950 – July 1953**

- i. First CW proxy war – Stalin adamant on staying out, war conditional on PRC acting as guarantor**
- ii. Kim's initial success is met with defeat after UN intervention → domino theory**
- iii. Mao decides to intervene: out of fear for US invasion of China from Korea? For prestige in the Communist Camp? Pressure from USSR?**
- iv. July 1953: cease fire at more or less the same boundaries**
- v. Division lines in NE Asia set: S Korea and Taiwan are *in* the US defense perimeter (Korean war thus ensures survival of KMT on Taiwan...)**

# **The progress of the communist alliance**

- i. Low institutionalization means struggle for leadership after Stalin's death**
- ii. Economic cooperation and assistance mainly one-way from USSR, not flexible, expensive heavy industry, not about trade links**
- iii. Historical suspicion**
- iv. PRC-USSR from rivalry to hostility in the 1960s**
- v. Smaller actors have own agenda – took advantage of USSR-PRC split → fuelled radical choices**
- vi. USSR-Vietnam, PRC-Cambodia, NK aid from both**
- vii. Link between national liberation movements and communist ideology → misinterpreted by the US?**

# Vietnam

- i. **1<sup>st</sup> Indochina War (against the French 1946-1954)**
- ii. **2<sup>nd</sup> Indochina (Vietnam) War (against the US mid 1959-1975):**
  - i. **Diem regime ~1963**
  - ii. **Americanization 1964-69**
  - iii. **Vietnamization 1969-75**
- iii. **Sino-Soviet Split: Ho Chi Minh aid from both, played one against the other**
- iv. **After the war, Vietnam closely aligned with USSR after Sino-US rapprochement**
- v. **Third Indochina War**
  - i. **Vietnam invasion of Cambodia 1979**
  - ii. **China invasion of Vietnam 1979**



# Hub and Spoke(s): US - Japan/ROK/ROC/Philippines/Thailand

- i. Korean War → motive for the establishment of formal security arrangements
- ii. Hub and spoke system in NE Asia:

Hub-Spoke	Diplomatic	Security
US-Japan	1952-present	Mutual Security Treaties 1952, 1960, 1970 with revised guidelines 1978, 1996, 2005
US-South Korea	1948-present	Mutual Defense Treaty 1953-present
US-Taiwan	1949-1978 1979-present (informal under Taiwan Relations Act)	Mutual Defense Treaty 1954-80 replaced by TRA 1979-present
Spoke-Spoke	Diplomatic	Security
Japan-South Korea	1965-present	NA
Japan-Taiwan	1952-72	NA
South-Korea-Taiwan	1949-92	NA

# **Rationale**

- i. Containment of communism (domino theory)**
- ii. Liberal economic order → economic success as the result of CW arrangements (more later)**
- iii. Comparison with Europe and NATO – why no horizontal alliances?**
- iv. Common, but not collective security**
- v. SE Asia: attempt at institutionalization with SEATO fails → indicative of difficulty of regional integration**

# **Durability and friction**

- i. The HS system proved stable and durable – why?**
  - i. Benefit to US: flexible commitment; relying on allies; survived change of doctrine to offshore balancer**
  - ii. Benefit to allies: hedging against ‘undesirable’ orders**
  - iii. Other: circumvents horizontal tensions; different levels of development/capacity**
- ii. Still, friction was present: issue of political autonomy (e.g. relations with PRC/ROC)**
- iii. Similar issues today but core arrangement still in place**

# **Economic “miracles”**

- i. Why here, why then?**
  - i. Japanese colonial legacies?**
  - ii. Weberian bureaucracy?**
  - iii. Weak society vs. strong state? (compare with LAm and Africa) But WHY strong?**
  - iv. Developmental elites? If so, WHY were they developmental?**
- ii. Also - cannot understand economic development in East Asia outside the context of the CW**
- iii. The core of the system: security alignment with the US + favorable access to US market + substantial aid**
- iv. Japan-Korea-Taiwan economic triangle**
- v. Second wave: ASEAN 4**

# **East Asian Development Model (EADM) - I**

## **Key characteristics:**

- i. National and private ownership (but mainly private)**
- ii. State-planned industrial strategy (trained bureaucracy → MITI)**
- iii. State assistance (access to tech, FX allocation, admin)**
- iv. Small welfare state but...**
- v. High investment in education**
- vi. High rates of domestic saving (also due to minimal welfare...)**
- vii. “Open” labour markets (read = suppression of unions)**
- viii. Protectionism: tariffs and other trade barriers**

# **East Asian Development Model (EADM) - II**

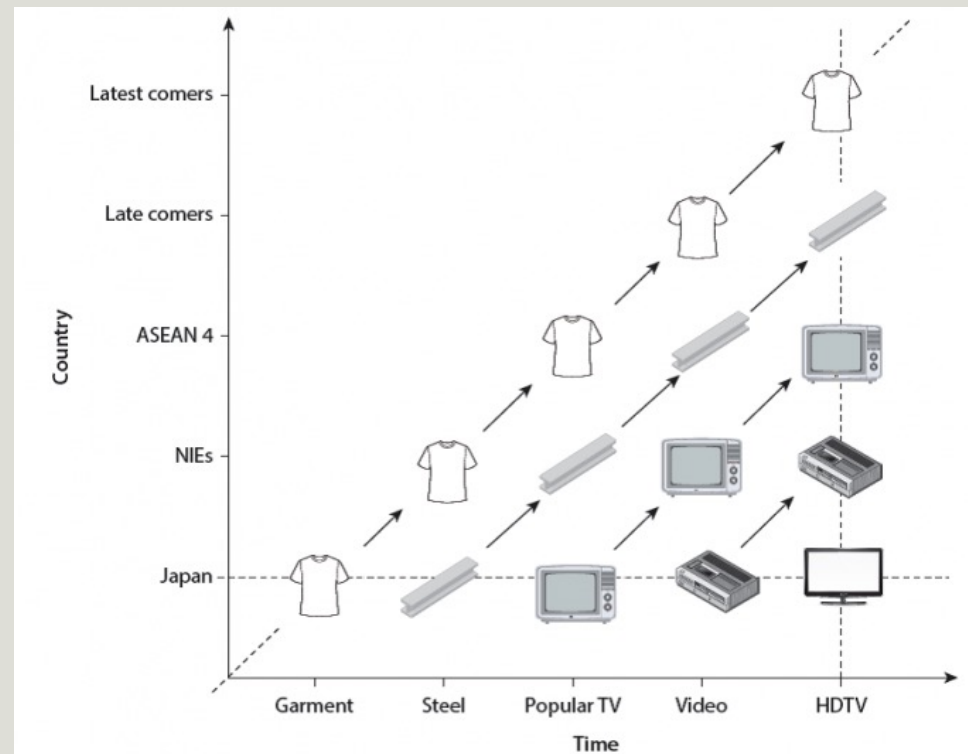
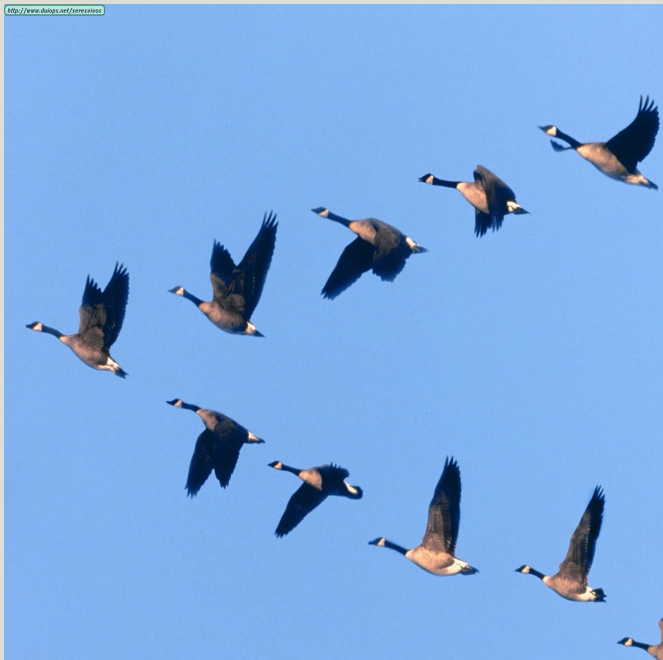
## **Two sets of policies:**

- i. Import substitution industrialization (ISI)**
  - i. Restrict imports**
  - ii. Protect domestic firms**
  - iii. State subsidies or ownership for key companies**
- ii. Export-oriented industrialization**
  - i. Priority on export-led growth (economies of scale, gaining capital for industrialization)**
  - ii. Investment on comparative advantage (mostly labour)**
  - iii. State guides the market (picking the winners)**

# **Formative effects of war: Japan- S. Korea- Taiwan (Stubbs)**

- i. Korean War accelerated Japanese recovery (US army procurement)**
- ii. US aid and support for developmental elites → authoritarian rule**
- iii. 1958 Japan recovery signals shift from US aid to integration (and greater responsibility in defense)**
- iv. Vietnam War accelerates ROK/Taiwan development**

# Integration - Flying geese (Akamatsu)



Source: GRIPS Development Forum; images from iStock.

Note: ASEAN 4 = Indonesia, Malaysia, the Philippines, and Thailand of the Association of Southeast Asian Nations; NIEs = newly industrialized economies.

# **Success and sustainability**

- i. Up to late 1960s, the arrangement worked very well**
- ii. 1970s US economy slowdown → gradual protectionist turn**
- iii. 1980s: Reagan administration demanded economic liberalization and trade parity (Plaza Accords, devaluation of USD)**
- iv. Liberalization meant the weakening of domestic developmental alliances (authoritarian state and businesses) → democratization wave in the late 1980s**
- v. Financial deregulation and Yen appreciation meant flow of capital from Japan to SE Asia (spurring growth there but also setting up risks for AFC)**

# **The end of CW in East Asia**

- i. Economic success**
- ii. Entry of China → powerhouse dynamic**
- iii. Increasing deregulation → Japanese asset bubble → will lead to 1997 crisis**
- iv. Historical / political / security issues remain unresolved**
- v. Democratization and authoritarian resilience**

# **Tutorial questions**

- i. How do the two alliance systems in EA compare?**
- ii. What are the differences between the US system of alliances in Europe and East Asia? Why did the US choose such different strategies?**
- iii. Why did we have 'hot' wars in EA but not in Europe during the CW?**
- iv. What are the key ingredients of the EADM's success? Is it transferable as a model to other regions of the world?**
- v. How is China's model of development different to the EADM?**