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ECONOMIC INTEGRATION IN EAST ASIA: HISTORICAL BACKGROUND AND CURRENT TRENDS

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INTRODUCTON

The chapter examines economic integration issues in East Asia, especially within the context of the current political climate, including the Middle East energy crisis and the Russian agression in Ukraine. It highlights the interdependence in economic areas, discusses regional development prospects, and identifies challenges to cooperation, showcasing key economies and organizations like ASEAN. The analysis reveals the efficacy of an institutionalized collective integration system and economic cooperation among governments, demonstrating that ASEAN ranks as the largest economic group in Asia. It also analyzes how regional integration patterns serve the interests of China and Ukraine. The chapter addresses the practical aspects of Ukraine's foreign policy and economic strategy, emphasizing the need for Ukraine to engage in free trade zones and multilateral projects, particularly within the framework of China's "One Belt, One Road" initiative to enhance cooperation with East Asia.

1. The essence, forms, and stages of regional integration in East Asia

In the investigations of domestic, Western, and East Asian academia, the essence and tasks of integration have been widely covered, given the relevance and practical significance of the problem. The study of international economic integration in East Asia was in focus of both domestic (Chekalenko, L., Horodnia, N., Ignatiev, P., Krupenya, I., Nechytaylo, O., Prypik Ye., Shergin, S.) [1]and foreign scholars, in particular, such well-known researcher and practitioner of regional integration of East Asia as R. Severino[2]. Comparing the views of Western and Eastern factors on the essence of integration processes, a Chinese author concludes that there is no single concept of integration. Each country chooses own path to it, looking for concrete benefits. Thus, following the path of integration any national

[1] Яценко Б. П., Чичкань А.І. Регіон Східна Азія: геополітичні особливості. *Географія та туризм*. 2014. Вип. 30. URL: http://nbuv.gov.ua/UJRN/gt_2014_30_22 (дата звернення: 12.10.2025); Nechytaylo, O. Ukraine-ASEAN: vision of cooperation. Ministry of foreign affairs of Ukraine. Kyiv. 2024. URL: https://cutt.ly/3eoUvMC3 (Last accessed: 22.04.2026)

[2] Rodolfo Severino. Politics of Association of Southeast Asian Nations Economic Cooperation.*Asian Economic Policy Review*. 2021.Volume 6. Issue 1. June. P. 22.

economy firstly takes into account its national priorities[3]. International economic integration could be defined in broad terms as both a relationship and a process (Table 1).

Table 1

Definitions of international economic integration

Integration can be interpreted as the absence of any form of discrimination against foreign partners in each of the national economies. In this regard, international economic integration is regarded as the pinnacle of development in the realm of international economic relations.
Integration can be defined as a process that leads to the harmonisation of disparities between economic entities of the member states of the integration process.
Integration at the macro level is developed on the basis of the formation of economic associations between countries. These associations involve different types of coordination of national policies. This is from the standpoint of economic regionalism and internationalisation of economic life. It can thus be argued that the natural stage of internationalisation of economic life, which involves closer convergence of individual national economies, is economic integration. It facilitates the movement of goods, capital, technology, and labour.
International economic integration can be also defined as a process of convergence, merging and interaction of national economic systems, based on the economic interests of independent economic entities and the international division of labour.
Furthermore, it functions as a regulated process, manifesting in international agreements and treaties that are designed to augment the volume of goods and services in circulation. The objective of this is to ensure the efficiency of economic activity on an international scale. Integration associations are mainly regional in nature and differ in the depth of the processes that take place within the group.

Summarizing the available scientific and methodological achievements of relevant experts, the prerequisites for international economic integration may include (Table 2).

Table 2

Prerequisites for international economic integration

Affiliation (proximity) of levels of economic development and the degree of market maturity of countries;
Geographical proximity of the integrating countries, the presence in most cases of common borders and economic ties;
Demonstration effect, which indicates positive economic transformations in the countries participating in the integration.

[3] Rodolfo Severino. Politics of Association of Southeast Asian Nations Economic Cooperation.*Asian Economic Policy Review*. 2021.Volume 6. Issue 1. June. P. 37–38

Table 2 (continuance)

Economic integration as a process and as a relationship is determined by factors, the most important of which probably are:
Internationalization of production and the creation of international monopolies, including multinational corporations;
Profound changes in the structure of the international division of labor, when industrial relations form an interaction between firms and within individual companies with a well-developed intra-industry specialization;
Information and biotechnological revolution, which contributes to the internationalization of the market and production, necessitating the international exchange of innovation results, the formation of a new technical base;
Openness of national economies and freedom of trade, as the liberalization of international exchange would facilitate the adaptation of national economies to external conditions and promote their more active inclusion in the international division of labor and cooperation.

A synthesis of the prevailing perspectives on the function of integration within the contemporary global economy reveals a range of viewpoints. Within the East Asian context, the specific tasks to be undertaken by integration can be delineated as follows (Table 3).

Table 3

Tasks of integration in East Asia

Strengthening mutual understanding and cooperation between countries in the political, defense, social and cultural humanitarian spheres; ensuring economic and political consolidation;
Creation of a common space of security and a peaceful environment along the common borders;
Taking advantage of sizable scale economies by expanding market size, reducing transaction costs, deepening specialization of production, etc .;
Introduction of trade preferences and creation of a homogeneous (with agreed exceptions) market environment for mutual trade, as well as strengthening the position of the countries of the union in the regional markets;
Regulating socio economic processes at the regional level in order to eliminate administrative and bureaucratic obstacles to the exchange and interaction of national economies, ensuring fair competition of firms;
Dissemination of experience and economic models of developed member countries to developing countries in order to carry out reforms and create full fledged and capacious markets there;
Supporting the high tech economy by creating favorable conditions for technology transfer and supporting innovative firms in their entry into the common regional market[4]

[4]张梅然.亚太地区一体化的历史性任务刻不容缓.*人民日报*.2014年11月5日 URL: http://finance.people.com.cn/n/2014/1105/c1004-25981326.html(Last accessed: 25.02.2026)

The formation of a highly integrated system of the world economy is characterized by deepening economic interdependence and regionalization at both the state and business levels. Therefore, it is becoming the most visible feature of modern civilization. This, on the one hand, is due to the growing importance of centrifugal forces in international economic development, even greater openness of national economies. Moreover, on the other – is a catalyst for further internationalization of economic life. That is why this system is implemented in various forms, including in the form of international trade, the movement of factors of production and money. Moreover, the insufficient effectiveness of international mechanisms for regulating these processes complicates the national development of individual countries. Instead, participation in regional integration associations guarantees the realization of the national interests of states. This is evidenced in general by the integration processes of NAFTA and the European Union, an example of which is methodologically significant for the countries of East Asia.

Most of them are committed to the idea of liberalizing international trade regimes. So, they are actively involved in the creation of subregional associations such as ASEAN. However, the formation of open economic models of these countries does not deny the balanced protectionism, which they use to a limited extent. This allows them to survive at the stage of formation of modern industries and gain a foothold in world markets, in particular in advanced industrialized economies of the region.

Furthermore, in the global competition for control over important segments of the world market China and some other East Asian countries greatly extended their presence in the markets of developed economies (of North America and the EU). In the balance of economic forces in the global competitive arena occurred radical changes occurred, mostly in favor of East Asia.

Unlike a number of other developing countries, the states of the region have managed to use a convenient geographical location. For example, their location is, thanks to the wide range of maritime transport opportunities, much more favorable than that of many African countries that are locked inside a poor continent.

East Asian countries are playing an active and even more important role in the process of changing the configuration of world power centers and global competition. The success of the region has been achieved in various ways and with the use of modern market instruments (Table 4).

Table 4

Market instruments of East Asia

The East Asian economies are marked by a strong focus on exports, eschewing import substitution as a key development strategy, except for early China. They actively promote exports through the adoption of new technologies and initial protection for strategic industries against foreign competition.
The regional market has been identified as a promising area for the development and commercialisation of artificial intelligence (AI) technologies, as well as for the production of new energy vehicles (NEVs), solar and wind energy, and computer and internet technologies. It is anticipated that this market will exhibit greater capacity in comparison to other regional markets. The total size of the regional commodity market is comparable to those of Europe and North America. This has engendered novel opportunities for producers in economies such as the United States, with these opportunities tending to accelerate. This finding suggests a correlation between the region's economic potential and integration processes within the region. Consequently, the dynamism of the region has been found to be a key factor in determining its capacity for integration.
In the context of the region, these integration trends are perceived as a means of mitigating the repercussions of the severe crises experienced in 1997–1998 and 2008–2009, as well as during pandemics and periods of heightened US-China rivalry. It is evident that certain nations are keen to consolidate their autonomy from Western influence. A body of opinion is growing that calls for the establishment of collective guarantees for the stability of the region's monetary and financial systems. Indeed, the potential transition to a common currency is now being given full consideration.
It is evident that a number of countries in the region, including Singapore, Malaysia and Thailand, are currently engaged in the process of implementing various stages of reform with a view to facilitating accelerated economic growth and the development of high-tech, export-oriented production. The establishment of effective institutional mechanisms that promote international business and the formation of open economic systems has been achieved by some nations, for example the Republic of Korea[5].

The engagement of these countries at the international level is a natural extension of their national policies. For instance, China has successfully secured accession to the GATT/WTO system on favorable terms that consider the interests of both the public sector and private businesses. This includes the establishment of transitional rules and temporary exemptions from liberalization obligations, among other provisions[6].

[5] Akrur Barua. Asia's economic growth among global market continues // Global Economic Outlook, Q4, 2015. Texas : Deloitte University Press, 2015. P. 28 URL: http://dupress.com/articles/global-economic-outlook-q4-2015-global-value-chains (Last accessed: 02.11.2025)

[6] 李凯生。东亚是构建中美新型大国关系的 "试验场". *世界经济与政治*.2022年. 第12期. 第72页 (Last accessed: 02.11.2025)

Forms and stages of international economic integration are crucial issues in the East Asian region, which is undergoing economic and political unification. This integration is built upon the development of strong, stable relationships and a division of labor among national economies, with interactions occurring at various levels and in multiple forms. At the micro level, individual firms in neighboring East Asian countries engage with one another, creating diverse economic relations that may include establishing branches abroad. At the macro level, integration within ASEAN is achieved through the formation of economic associations among states and the coordination of national policies.

The most straightforward and prevalent form of economic integration is a free trade area, where trade restrictions among member states are eliminated, particularly customs duties. Within the framework of ASEAN and ASEAN+, the free trade agreement enhances competition in the domestic market between local and foreign producers. This dynamic, while increasing the risk of bankruptcy for some, simultaneously serves as a catalyst for production improvements and innovation. Typically, the removal of customs duties and non-tariff barriers applies primarily to industrial goods, whereas import liberalization concerning agricultural products tends to be more constrained. This pattern was characteristic of the European Union and is now evident in North and Latin America.

As East Asian countries strive to enhance their mechanisms for cooperation, there is a growing movement towards the establishment of a customs union. Such a union would involve the implementation of a unified foreign trade tariff as well as a coordinated trade policy towards external nations. In both instances, interstate relations primarily focus on trade exchanges, aiming to provide equal opportunities for participating countries indeveloping mutual trade relations and financial settlements. Typically, a customs union is complemented by a payment union, which facilitates the mutual convertibility of currencies and the use of a single settlement currency.

A more elaborate form of integration is the common market, which not only allows for free mutual trade and a common foreign trade tariff but also promotes the free movement of capital and labor, along with coordinated economic policies.

The most advanced form of integration involves a union founded on shared economic and monetary policies. This level of integration is exemplified by the European Union, where the process of economic integration has successfully traversed all these stages.

The integration processes occurring globally, particularly among countries in East Asia, are influenced by several factors the globalization of economic activities; deepening of the international division of labor; global scientific and technological revolution and, increasing openness of national economies, among others.

Business leaders in East Asia recognize that, in today's context, establishing stable economic ties between countries – especially among their firms – based on the international division of labor is fundamentally global in scope. The growing openness of national economies, the development of a global network of transnational corporations (TNCs), international trade, capital migration, and advancements in modern transportation, communication, and information systems have all contributed to elevating the internationalization of economic activities to a more advanced stage. Essentially, a global network of relationships has emerged within the world economy, involving active participation from a majority of businesses not only in East Asia but also across numerous countries worldwide. A number of preconditions facilitates the development of interstate economic integration. Thus, integration processes are most productive between countries that are at about the same level of economic development and have homogeneous economic systems. Another, no less important, prerequisite is the geographical proximity of integrating countries located in the same region and having a common border.

The feasibility and practicality of integration are influenced by the existence of established economic ties between nations. Key factors include shared economic interests and challenges, which can be addressed more effectively through collaborative efforts rather than independently. A prime example of this is the advanced integration observed within the EU, which is also evolving in ASEAN.

The objectives of international economic integration differ depending on the specific type of free trade zone or customs union, which currently represent the most common forms of integration. Participants in these arrangements aim to broaden their markets and cultivate a favorable trading environment among themselves, while also seeking to minimize competition from external countries.

The European Union's experience is particularly noteworthy for the countries of East Asia, especially in the context of establishing a threefold union on its territory: economic, monetary – with a shared euro currency – and political. Additionally, the EU has achieved significant successes in implementing a balanced long-term social and economic policy.

The advancement of economic integration undoubtedly brings both positive effects and some negative consequences for the involved parties. The establishment of integration blocs significantly boosts their economic potential and facilitates the growth of trade, cooperation, and production links. This is evidenced by the progress of numerous integration groups such as the EU, NAFTA, and MERCOSUR. Furthermore, the economic convergence of countries within a regional framework creates favorable conditions for firms involved in economic integration, offering them a degree of protection against competition from third countries.

Collaborative efforts among participants enable them to address pressing social issues, such as equalizing opportunities for the most disadvantaged regions, improving labor market conditions, and implementing science and technology policies, as is typically seen among EU member states. Similarly, integration associations in East Asia share comparable goals under such principles (Table 5).

Table 5

Goals and principles of East Asian integration

Expanding market size and reducing transaction costs can significantly enhance the attraction of foreign direct investment, as investors are typically more motivated to enter larger markets. This also facilitates the establishment of independent production units that cater to market demands.
Creating a favorable business and investment climate for neighboring countries that face similar developmental challenges is essential.
Maintaining healthy relations with neighboring countries, supported by mutual economic commitments, is a top political priority. The nations of East Asia, through the establishment of integration associations, are clearly aiming to achieve this objective.
Addressing trade policy concerns within the framework of multilateral trade negotiations at the WTO is crucial, as agreements made by East Asian countries can yield favorable outcomes. These integration associations are placing their hopes on a collaborative effort in multilateral trade discussions.
Promoting the structural adjustment of the economy is vital as well. The connection of nations developing market economies or undergoing significant economic reforms to regional trade agreements with countries having a more developed market system is viewed as a pathway to further growth. Historically, many European countries have pursued similar goals by engaging in various forms of cooperation with the EU.
Support for emerging branches of national industry is crucial. Even if an integration association does not discriminate against third countries, it implements measures to help local producers more actively penetrate the regional market[7].

East Asian nations have already experienced the positive impacts of integration, including an expanded market size, greater transparency in customs borders among countries, enhanced competition, improved trading

[7] ASEAN Economic Integration brief. *Asean.org.* 2023. 13. July URL: https://asean.org/wp-content/uploads/2023/07/AEIB_No.13_July2023_final.pdf (Last accessed: 02.11.2025)

conditions, expanded trade alongside better infrastructure, and the dissemination of new technologies.

However, there are also recognized negative consequences of integration. These include the outflow of resources and other production factors from weaker countries to stronger partners, particularly China; the formation of oligopolistic alliances among member nations, which can drive up goods prices; and the adverse effects of increased production that may lead to overproduction, reduced employment, and the necessity to withdraw excess production capacities (Table 6).

Table 6

Concepts and Mechanisms for integration in East Asia

At the initial stage	Countries begin to draw closer together, they enter into preferential trade agreements. These agreements may be formed bilaterally between individual nations or between an existing integration group and a specific country or group of countries. Under these agreements, nations extend more favorable treatment to one another compared to third parties. This approach represents a deviation from the most-favored-nation principle, which is permitted by GATT/WTO through interim agreements that pave the way for the establishment of a customs union. Preferential agreements, which maintain the individual national customs tariffs of the signatory countries, should be viewed not merely as an introductory phase but rather as a preparatory stage of the integration process, which evolves into a more advanced form over time. In the case of ASEAN, however, intergovernmental bodies to manage these preferential agreements have yet to be established.
At the second stage of integration	Countries establish a free trade area, which entails not merely a reduction, but the complete elimination of customs tariffs on mutual trade while maintaining national tariffs for dealings with third countries. Typically, the terms of the free trade area apply to all goods with the exception of agricultural products. Coordination within the free trade area may be overseen by a small intergovernmental secretariat located in one of the member states, although it often operates without one, relying instead on periodic meetings of heads of relevant agencies to agree on the main parameters of its development.
The third stage of integration	Involves the creation of a customs union, which entails a collective abolition of a group of national customs tariffs and the implementation of a common customs tariff, alongside a unified system of non-tariff trade regulations concerning third countries. The customs union allows for duty-free intra-group trade in goods and services, and ensures full freedom of movement within the region. Typically, the customs union necessitates the establishment

Table 6 (continuance)

	of a more sophisticated system of intergovernmental bodies that coordinate a unified foreign trade policy. These often take the form of regular meetings among ministers responsible for relevant agencies, which rely on a permanent interstate secretariat for support in their work.
At the fourth stage	As the integration process progresses to establishment of a common market – the participating countries agree to allow the free movement not just of goods and services, but also of the factors of production, including capital and labor. This freedom of interstate movement, supported by a unified external tariff, necessitates a significantly higher level of coordination regarding economic policies among the nations involved. Such coordination is typically facilitated through periodic meetings, generally held once or twice a year, involving heads of state and government. Additionally, there are more frequent consultations among finance ministers, central bank governors, and other economic agencies, all supported by a permanent secretariat.
At the fifth and highest stage of integration	Economies evolve into an economic union not only incorporating a common customs tariff and the free movement of goods and factors of production but also including the coordination of macroeconomic policy and the unification of legislation in critical areas such as currency, budget, and monetary policy. At this level, there is a necessity for institutions that possess not only the capability to coordinate actions and monitor economic developments but also to make operational decisions on behalf of the collective group. This requires governments to unanimously cede some of their functions, thereby relinquishing a portion of their state sovereignty to supranational bodies. Such intergovernmental organizations with supranational authority can make decisions regarding organizational matters without needing the consent of the member governments.
the hypothetical sixth stage of integration	The sixth level of integration could be a political union, wherein nations transfer most of their functions concerning external relations to supranational entities. This transition would effectively create an international confederation and result in a loss of certain aspects of sovereignty for individual states[8].

At each stage of the integration process, specific economic barriers between the countries involved in the integration union are eliminated. Consequently, a unified market emerges within the integration bloc, allowing all member countries to enhance their efficiency and reduce customs control costs.

[8] ASEAN Economic Integration brief. *Asean.org.* 2023. 13. July URL: https://asean.org/wp-content/uploads/2023/07/AEIB_No.13_July2023_final.pdf (Last accessed: 02.11.2025)

Overall, integration processes tend to be predominantly regional. They are carried out through the establishment of international regional integration groups, such as ASEAN.

International economic integration occurs at various levels of the institutional integration and progresses through several significant stages of formations.

The levels of the institutional integration are defined as follows (Table 7).

Table 7

Levels of institutional integration in East Asia

Level 1	Public and private enterprises and organizational interaction level highlights the crucial role of public and private enterprises and organizations, which shoulder a significant portion of the responsibility for facilitating the integration process.
Level 2	State-level interaction level means the integration of key national economic components is achieved, alongside the establishment of legal frameworks and conditions necessary for the integration process.
Level 3	Social level focuses on creating the political, cultural, religious, and human factors essential for the successful advancement of the integration process.
Level 4	Grouping level represents the stage of an international economic community, characterized by its unique economic interests and attributes. At this level, the integration association functions as a participant in international economic relations while preserving the status of each integrating country[9].

It should be noted that in practice the development of international economic integration groups combines features and individual elements of different stages, but the movement from simpler to more complex and advanced forms of manifestation is quite clear. They are distinguished by the depth of the processes taking place.

Overall, integration processes tend to be predominantly regional in nature. They are carried out through the establishment of international regional integration groups. International economic integration occurs at various levels and progresses through a series of significant stages in its development.

The analysis of regional integration associations gives grounds to conclude that despite the processes of globalization, the geographical

[9] 富景筠.一体化次序视角下的 东亚合作.*世界经济与政治*. 2012. 5 月 15 日. 第12-14页 URL:http://niis.cssn.cn/webpic/web/niis/upload/2012/09/d20120918101157184.pdf (Last accessed: 12.05.2026)

proximity of countries is still dominant. In particular, this applies not only to ASEAN or the SCO, but also to the European Free Trade Association, the European Union, the North American Free Trade Association, and the Latin American Integration Association.

Territorial proximity of the member countries of regional integration associations implies the presence of the following incentives for integration: the proximity of the territory involves reducing the cost of transport services; similarity of demand facilitates the formation of distribution channels; common history, closeness of cultures forms their common interests.

However, in East Asia, there is an emerging shift in which the prevailing ideology of geographical proximity is being supplanted by a concept of "intercontinental openness". A concrete exemplification of its implementation is furnished by the activities of the Asia-Pacific Economic Cooperation (APEC), which comprises such subregional economic associations as the Association of Southeast Asian Nations (ASEAN), the North American Free Trade Agreement (NAFTA), and the South Pacific Forum (SPF). In light of the aforementioned points, it can be posited that regional integration is a significant component in the development of globalisation processes.

The existence of integration associations has been demonstrated to be a significant factor in the promotion of positive economic change in countries where such associations have been established (Table 8).

Table 8

Integration benefits for member states

Integration leads to reduced transaction costs and accelerates the pace of mutual trade.
The increase in competition among producers from various countries curtails price growth, enhances product quality, fosters technological advancement, and reduces relatively inefficient production.
Typically, integration results in an influx of foreign investment, as corporations from non-aligned countries aim to secure a specific market segment protected by a collective customs barrier.
Analyzing these developments allows delineating the primary stages of integration, each characterized by increasing maturity, which are relevant to the countries of East Asia:
Preferential trade agreements, where countries offer one another more favorable treatment than they extend to third countries (a stage that East Asian countries have fully completed).
A free trade area, which entails the elimination of customs tariffs on mutual trade while maintaining national customs tariffs in dealings with third countries (currently nearing completion).

Table 8 (continuance)

The customs union framework facilitates the coordinated elimination of national customs tariffs and introduces a common customs tariff along with a unified system of non-tariff regulations for trade with third countries.
Common market arrangements let participating countries to ensure the free movement not only of goods and services but also of factors of production, capital, and labor.
The economic union coordinates macroeconomic policies and harmonizes legislation in critical areas, including currency, budget, and monetary issues.

From the perspective of resources, due to the unbalanced storage of them among countries, rare and strategic resources become the objects of competition (i.e., China's rare earth resources, Russia's oil, etc.). As these resources become more and more scarce and the competition becomes more and more fierce, the possibility of conflicts is increasing. The competition between China and Japan on China's rare earth export policy and the competition for the natural gas pipeline to Russia all reflect that the scarcer are the resources, the more intense is the competition, and the greater is the possibility of competition.

The living environment of the people of all countries also faces a deteriorating threat. Due to global warming, some natural disasters caused by extreme weather constantly invade various countries, such as the frequent occurrence of sandstorms, which is a prominent manifestation of environmental deterioration in Asia. Each year, about 2 billion tons of dust enters the atmosphere. This is largely a natural process, but a large part of it is the result of poor management of water and land[10].

Since the mid-20th century, large sandstorms have become increasingly prevalent, with a marked increase in the frequency of occurrence. In the 1960s, the number of occurrences was recorded as eight per year, whereas by the 1990s, this figure had escalated to approximately 20 per year. This trend has persisted, resulting in a significant escalation in the scope and magnitude of the impact. The repercussions of the sandstorm have already transcended the geographical boundaries of a single nation, encompassing numerous countries in Northeast Asia. Should the governments of Northeast Asia fail to implement sufficient measures to contain its spread; a new crisis will emerge in the regional ecological environment. The issue of cross-border pollution, in conjunction with the transfer of dangerous substances, has the potential to engender conflict between nations. This, in turn, poses a threat to regional stability and security. For instance, the cross-border

[10] Brief Overview of China-ASEAN Economic and Trade Cooperation 2022. *MOFCOM*: website. URL: http://asean.mofcom.gov.cn/article/jmxw/202201/20220103239743.shtml (Last accessed: 02.04.2026)

pollution incident on the Songhua River in November 2005 not only involved China-Russia relations, but also attracted the attention of the international community and exerted a certain negative impact on the relations between Northeast Asian countries[11].

The safety of nuclear power plants and nuclear waste pollution also affect regional safety and national relations. During the Cold War, the Soviet Union secretly dumped large amounts of nuclear waste into the Sea of Japan. After the incident came to light in 1993, Japan negotiated with Russia and protested against the action. In March 2010, the Fukushima nuclear power plant leak caused by the Japanese earthquake and tsunami not only caused heavy losses to Japan but also caused safety panic in many surrounding countries[12].

The ecological crisis is worsening with the economic development of countries in the region and the damage to resources and the environment. If not all countries take common measures to contain it, it will threaten the peace between regions and the relations between countries. By the end of the 20th century, with the rise of environmental diplomacy, the ecological image of a country became an important symbol of the country on the international stage. Because of the transnational nature of ecological threats, some scholars in Western countries even put forward the so-called theory of international environmental interference, believing that countries cannot protect the environmental damage in China on the grounds of sovereignty. Some scholars suggest that the United Nations should increase its environmental peacekeeping functions: ‘If a country’s environmental issues affect the interests of other countries, the Security Council should naturally authorize action to safeguard international peace and security’[13].

It should be said that the deterioration of the ecological environment and the emergence of the so-called new theories in Western countries have brought new risks to China and the whole region.

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[11] 吉化"11·13"特大爆炸事故及松花江特别重大水污染事件基本情况及处理结果. URL: https://www.mem.gov.cn/gk/sgcc/tbzdsgdcbg/2006/200612/t20061221_245275.shtml (Last accessed: 29.2.2026)

[12] Shaun Burnie.Learing from Mistakes? From Russian Nuclear Waste to Japanese Nuclear Wastewater, Is History Repeating Itself? *Greenpeace News*. 2021.November 22. URL: https://www.greenpeace.org/taiwan/update/28339 (Last accessed: 27.01.2026)

[13] 12.Crispin Tickell.The inevitablity of environmental security. *Threats without Enemies Facing environmental insecurity*. / edited by Gwyn Prins.London: Earthscan pablications. 1993. pp. 15–24. URL: https://books.google.ro/books?id=vWQxTUbXiD0C&pg=PA15&hl=uk&source=gbs_toc_r&cad=2#v=onepage&q&f=false

2. Main Development Directions of East Asia Integration Process

The process of integration within East Asia has been a protracted one, characterised by periods of both dynamism and stagnation. Although the mode and process of regional economic cooperation among countries are still under negotiation and discussion, the desire for cooperation is unprecedented. It has entered the institutional arrangement and scheduling stage, which has laid a new foundation for the development of East Asia integration. It is evident that the EU and the NAFTA have evolved into effective regional economic integration organisations, a fact that will remain in effect until 2025. In contrast, East Asia needs to be more forward in institutionalizing regional economic cooperation and integration. East Asia, notably Northeast Asia, has historically adopted a multilateral approach and has undergone a gradual process of regional economic integration. All regional cooperation frameworks – except ASEAN – gradually developed in the mid to late 1980s. The idea of establishing a free trade area in ASEAN framework – although founded in the 1960s – was only proposed in the 1990s and reached a basic consensus among its member states[14] In 2000s, East Asian countries have accelerated the process of regional integration and achieved positive results (Table 9).

Table 9

Initial results of East Asian countries' regional integration

In January 2002, Japan and Singapore signed the New Era Economic Partnership Agreement.
In October 2002, Korea and Chile agreed to establish bilateral FTA relations.
In November 2002, China and ASEAN signed the framework agreement on establishing Free Trade Area, setting the goal of establishing an FTA within ten years.
In June 2003, China and Hong Kong formally signed the Closer Mainland and Hong Kong Arrangement.

From that time on the complexity of institution-building can be attributed to the presence of two major, albeit uncertain, powers: the United States and China. Regional countries are compelled to respond to these powers through regional institutions, thereby complicating the process.

Since 2010s in order to respond to the aforementioned changes, other countries of the East Asia region are implementing a variety of national strategies through regional institutions like ASEAN. These strategies range

[14] Shen Minghui. A Reexamination of Regional Economic Integration in Asia. *China Watch.* 2022.Vol. 2, No. 9, P.3. URL:: https://china-cee.eu/2022/03/11/a-reexamination-of-regional-economic-integration-in-asia/ (Last accessed: 27.01.2026)

from engagement to soft balancing and risk-hedging. All the states of the region wish to maintain a variety of institutional choices in order to respond to their uncertain futures. In 2012, ASEAN announced to negotiate a Regional Comprehensive Economic Partnership (RECP), which is comprised of member states and its six partner countries (China, Japan, South Korea, Australia, New Zealand, and India). Embedded in the ASEAN Charter and implemented in all existing ASEAN+1 FTAs, the ASEAN Centrality has been a corner stone principle in ASEAN-centric economic initiatives. Emerging discord in the region, complicated security climate and the rise of China, among others, have put the ASEAN Centrality under challenge. The development of the RCEP provides a timely case to assess ASEAN’s leadership role in creating the world’s most populous FTA. The RCEP may enhance ASEAN’s central role, but ASEAN needs to address challenges facing the regional integration. On the country/economy level, the chapter reviews some ASEAN member states and their partners how they practice their ASEAN policy and seek leadership role there. The three major players in ASEAN-Indonesia, Thailand, and Malaysia have reiterated the importance of the ASEAN Centrality in their foreign policy in the past, but debates emerge whether, such as in Indonesia, ASEAN Centrality best suits the national interests[15]. The economic cooperation in East Asia is still in the stage of utilising a dialogue mechanism. The establishment of a FTZ in the region is impeded by significant economic and political difficulties. In general, the development of East Asian economic cooperation is characterised by a multi-level, multi-mechanism and multi-form combination. The current process of East Asian cooperation can be conceptualised as a ‘four-wheeled vehicle’ in motion, with each wheel representing a distinct aspect of collaboration.

The concept of the ‘four wheels’ turning together is indicative of the current reality of East Asia. Nevertheless, in order to identify a developmental trajectory appropriate for East Asian collaboration, concerted efforts must be made to enhance discourse and progressively establish a consensus.

The majority of East Asian countries have adopted a range of economic cooperation strategies, from bilateral to multilateral, in order to achieve regional economic integration.

[15] Kristy Hsu. ASEAN Centrality: A Quest for Leadership Role in East Asian Economic Integration Available to Purchase. In: Asian Leadership in Policy and Governance. Taibei: Emerald Group Publishing Limited, 2015.P.29 https://doi.org/10.1108/S2053-769720150000024004 (Last accessed: 27.01.2026)

3. East Asia free trade arrangements

East Asia's interaction started in the late 1970s and resulted from different foreign strategic interactions. On the one hand, it stems from the adjustment of their national development strategies by the decision-makers of the regions' states and a series of their strategic measures to integrate into the world. On the other hand, it stems from the strategy of some East Asian countries to contact China, making China an essential member of the international community. Although the two strategies have very different starting points, they take China's participation in the world as their basic path. In comparison, economic factors provide an appropriate combination point for the interaction between the two strategies (Table 10).

Table 10

Construction of China-East Asia interaction mechanism

Firstly, Japan, Singapore, and surrounding regions have achieved significant economic progress post-war, facilitating their connection with the Chinese economy. Since the late 1970s, China and its East Asian neighbors have established political statements to foster economic interaction, leading to an interdependent economic relationship over four decades. China's economic success is largely attributed to the support received from these early-developing East Asian nations, marking a pivotal shift in regional economic dynamics.
Secondly, implementing China's reform and opening-up policy since the late 1970s has been crucial for enhancing its interaction with East Asia. This shift marked a turning point in national development, moving the focus from class struggle to economic construction. China's rapid economic growth now also relies on external support, making openness an essential aspect of its development strategy. Previously, China viewed itself through various lenses, often with elements of resistance, but post-reform, it sought to build collaborative relationships, embracing a new identity as part of the world, particularly as an active member of Asia. This transformation has enabled China to foster positive interactions with countries in East Asia.
Thirdly, the contact strategy that some East Asian countries have adopted towards China is crucial for fostering interaction between China and the region. East Asian nations face the challenge of managing their relations with China amid differing ideologies and the inability to contain China independently. Following China's opening up, these countries shifted to a contact strategy, leveraging international mechanisms and economic ties to align their interests with those of the international community. This strategy aims to reduce dissatisfaction with the status quo, encourage the socialization of China into the existing international order, and enhance cooperative relations through non-confrontational means. Ultimately, this approach facilitates better interaction between China and East Asian countries compared to earlier containment strategies.
Forthly, the development of various economic cooperation between China and East Asia provides an opportunity to form their interaction mechanism. Both China's opening to the outside world and some East Asian countries with China are political strategies in essence, and realizing its strategic goals depends on implementing various specific

Table 10 (continuance)

policies or measures. From the operational feasibility perspective, starting with economic exchanges and cooperation for both sides is feasible. On the one hand, as mentioned above, China's reform and opening up policy is centered on economic construction. One of the main themes of its opening up is actively carrying out foreign economic exchanges and cooperation to achieve the rapid growth of China's economy. China must open its doors to the outside world, including East Asia, in international trade, attracting foreign direct investment and technology introduction.
Fifthly, China's initial economic construction relied heavily on attracting foreign investment, particularly from East Asia, which has become its leading trading partner. The economic complementarity between China and its East Asian neighbors, due to geographic proximity and cultural ties, has facilitated strong trade relations. As China's economy has strengthened, it has shared its growth with neighboring countries, enabling them to benefit from its development. China's reforms and openness to global integration have positioned it as a key player in East Asia's economic stability and advancement, reflecting its growing significance in the global economic landscape.
Sixthly. Economic growth in East Asia for the first two decades of the 21st century was primarily linked to Western markets; however, since 2020, this trend has shifted towards growth driven by Chinese technological advancements. As China develops its own markets, its economic significance is rising, while that of the West is declining. The region's industrial division of labor has transformed from a hierarchical 'wild goose pattern' dominated by Japan to a more horizontal model, with China emerging as the central hub. In this new structure, China imports raw materials, utilizes its labor for processing, and exports finished goods to developed countries, illustrating a shift in the regional industrial landscape[16].

The formation and deepening of the sound economic interaction between China and East Asia have greatly enhanced their shared economic interests. National interests are the essential starting point for a country to formulate its foreign policy. The strengthening of common economic interests, in turn, affects the policy adjustment of China and its close East Asian neighbors. Influenced by the level of economic exchanges and the international environment, the political effect of the economic interaction between China

[16] 周方银.中国崛起、东亚格局变迁与东亚 秩序的发展方向. 当代亚太.２０１２年第５期.第４～5页 URL: http://niis.cssn.cn/webpic/web/niis/upload/2012/11/d20121120135704662.pdf (Last accessed: 18.11.2025); UNDP National Human Development Report 2019: China. URL: https://hdr.undp.org/content/national-human-development-report-2019-china (Last accessed: 02.11.2025); Yan Mo. East Asia's Answer to Global Economic Shifts. Modern diplomacy. 2025. May 12 URL: https://moderndiplomacy.eu/2025/05/12/east-asias-answer-to-global-economic-shifts/ (Last accessed: 25.12.2025); Dorrucci, Ettore and Pula, Gabor and Santabárbara, Daniel. China's Economic Growth and Rebalancing. Banco de Espana Occasional Paper. 2013. No. 1301. April 26 URL: https://ssrn.com/abstract=2256838 or http://dx.doi.org/10.2139/ssrn.2256838 (Last accessed: 23.93.2026)

and East Asia began to emerge only after the 1990s. Specifically, this political effect is mainly reflected in the following aspects (Table 11).

Table 11

Political aspects of China-East Asia integration

Economic relations between China and its East Asian neighbors have significantly enhanced their political ties. After the Cold War, economic competition has taken precedence over military concerns, leading to a trend where countries focus on strengthening economic connections. This approach helps to overcome political obstacles and fosters better bilateral relations, highlighting the importance of economic interdependence in political coordination.
China's growing economic ties with its East Asian neighbors have led to a collaborative approach in addressing regional polirical problems. The stability and harmony of the region are crucial for ensuring the sustainability of past economic gains and future development. Key regional issues include security, multilateral economic development, and social challenges. East Asian nations have actively worked together on these fronts, establishing forums for security collaboration, adopting the Chiang Mai Agreement for economic cooperation, and creating free trade zones. Continued enhancement of economic relations will likely lead to increased cooperation on political issues.
Common economic interests have fostered a stable dialogue mechanism between China and its East Asian neighbors. An international mechanism consists of principles, norms, and procedures that guide countries within the realm of international relations. It facilitates information exchange and coordination, while also restraining arbitrary national actions. Unlike the Cold War era, East Asia now has a robust cooperation mechanism centered around the '10 + 3' summit, enabling regional dialogue without external interference, thus promoting stable international relations and laying a foundation for an East Asian community.

The above three aspects show that the economic interaction between China and East Asia has produced a strong political effect. The formation of this political effect standardizes the behavior of East Asian countries to a lage extent and is conducive to the stable development of regional cooperation in East Asia.

In a general sense, significant regional organisations in East Asia have been the subject of drafting and discussion. The emergence of such a body is predicated on the existence of a substantial East Asian cultural commonality to provide a foundation for its support.

In a restricted sense, the APT Cooperation until 2027 and beyond has the potential to enhance APT cooperation over the years to come, thereby contributing to the long-term goal of establishing an East Asia community with the ASEAN playing a pivotal role in this process.

Consistent with existing regional mechanisms, APT recognises ASEAN Centrality as the driving force in the evolving regional architecture. Building on the achievements of the previous APT Work Plan, this Work Plan will help ASEAN realise the goals of its Community Vision 2025 as well as its successor document. The APT Cooperation Work Plan 2023-2027 Work Plan is aimed to further strengthen the APT partnership in accordance with the principles of the ASEAN Charter and the Treaty of Amity and Cooperation in Southeast Asia (TAC), as well as the ASEAN Outlook on the Indo-Pacific (AOIP)[17].

East Asian countries have positively promoted flexible and various forms of trade cooperation. The region is gradually forming the intention of the free trade areas of ASEAN in Southeast Asia and East Asia, Japan, and South Korea in Northeast Asia. The formation of ASEAN and China, Japan, and ROK FTA will promote the formation in East Asia other free trade zones. At the same time, a prominent feature of East Asia economic cooperation is ‘open regionalism,’ which conforms to the trend of world economic globalization and regional integration, promotes the area outside various forms of multilateral and bilateral free trade agreements, various forms of free trade agreement has strong vitality, opened up the way for the establishment of East Asia FTA.

The aforementioned mechanism of partnership between members is conducive to the resolution of inter-member differences and the promotion of regional integration. However, it is also possible that this phenomenon is the result of members being presented with conflicting demands and being unable to reach a consensus. The role of members in promoting regional cooperation between countries with common interests relies on the regional economic group’s increased power.

At present, regional cooperation in East Asia is in the stage of sustainable development, and its evolution is yet to be fully realised. It is vital to strengthen scientific capacity, as well as research and development, production, and sales. These should be organically combined to promote the free flow of production factors and realise the optimisation and upgrading of industrial structure. It is therefore recommended that the scope of cooperation be limited to the geographical confines of East Asia. Should the scope of cooperation be expanded without due consideration, it is inevitable that the imperfect internal mechanisms will impose limitations, thereby impacting the standardisation and stability of the cooperation.

Furthermore, drawing upon extant experience, it is posited that the number of initial members of regional cooperation should be kept to a minimum. In the absence of concerted action, the coordination of interests among diverse

[17] The ASEAN Plus Three (APT) Cooperation Work Plan 2023-2027.2023.*Asean.org*. URL: https://asean.org/wp-content/uploads/2022/08/APT-Cooperation-Work-Plan-2023-2027.pdf (Last accessed: 19.02.2026)

economic entities is likely to encounter significant challenges. The continuous development of trade and investment in East Asia and the increasingly frequent inter regional circulation of commodities, personnel, technologies, and funds have extensively promoted the development of regional economic cooperation. However, due to the large population of countries in East Asia, different social systems, cultural and religious beliefs, varying economic development stages, and the deepening of economic cooperation, East Asian regional cooperation must be gradual and steady.

In order to achieve the objectives of this policy, the following measures are to be put in place: the establishment of a East Asia FTA, the development of environmentally sustainable agricultural practices, and the promotion of multistakeholder energy cooperation.

Following the signing of the agreement in 2002 between China and ASEAN, South Korea and Japan sought to establish a free trade zone with ASEAN, known as the East Asian Economic Community. The initial model of East Asian economic collaboration is the ASEAN FTZ, yet it does not represent the ultimate objective of East Asian cooperation. The East Asian capital market and financial centre should gradually unify the capital and financial market systems in order to promote the integration of trade and investment among East Asian countries and realise the liberalisation of investment in the region. Following the establishment of East Asian economic integration, there will be a further deepening of regional cooperation in political, security, and cultural domains. This will be accompanied by the promotion of mutual understanding among regions, the formation of a regional identity, and the establishment of an East Asian community characterised by transparency, openness, equality, mutual benefit, sustainable development, and harmony.

By establishing an East Asian community and attracting more member states, the participation of India, Australia, and New Zealand in East Asia cooperation will open up a broader space for cooperation. Establishing countries and organizations outside the region, such as the United States, and the EU, in establishing contacts and cooperation with East Asia is conducive to consolidating the stability and development of East Asia.

Since coming into force in 2010, CAFTA has significantly expanded the amount of trade between ASEAN and China. Bilateral trade has risen more than fivefold, from $192.5 billion in 2008 to $982 billion in 2024, according to Chinese data. The CAFTA 3.0 aims to expand this further, introducing nine new chapters “covering areas such as digital economy, green economy, and supply chain connectivity,” according to China’s Ministry of Commerce. CAFTA represents the inaugural substantive trade cooperation entity in which China participates. In November 2001, at the China-ASEAN Summit, the leaders of China and the Association reached a unanimous consensus to establish the CAFTA within the next decade. In November 2002, the China-Asean Comprehensive Economic Cooperation Framework Agreement was signed, leading to a comprehensive strengthening of bilateral economic and trade cooperation between the two regions. The formation of a free trade area is anticipated, comprising a population of approximately 1.7 billion, an economy valued at $1.7 trillion, and a trade volume of $1.3 trillion[18].

It is evident that the potential for bilateral trade is considerable; consequently, the establishment of CAFTA appears to be a propitious development for the enhancement of regional trade. The elimination of trade barriers has resulted in a reduction in the production cost of ASEAN and Chinese products, thereby enhancing economic efficiency and product competitiveness. The establishment of a professional division and the equitable distribution of resources according to comparative advantages has been identified as a means of enhancing the region's overall welfare. The process of trade liberalisation has the potential to integrate China and ASEAN into a unified large market, which in turn may increase the attractiveness of the region to foreign investors. The construction of the CAFTA also enhanced ASEAN and China as regional overall economic strength and economic cooperation. It is advantageous for Southeast Asian countries to align their development with China's progress, thereby fostering a conducive environment for mutual advancement and establishing a foundation for enhanced regional economic collaboration. In addition to trade arrangements based on tariff reduction, the CAFTA also encompasses economic cooperation and even political cooperation. For instance, in October 2003, during the seventh Chinese leaders' meeting, China took the initiative as the ASEAN member that joined the Southeast Asia Friendship and Cooperation Treaty, thereby establishing a strategic partnership. This is not only the inaugural instance of such an arrangement with a regional organisation, but it is also the sole occasion on which the ASEAN has forged a relationship with a region.

The economic cooperation between China, Japan, and the ROK is founded on a robust foundation. Presently, the trade between the three countries is predominantly bilateral. Japan has become China's largest trading partner, and its actual utilisation of direct investment in China ranks second among overseas investors. China has become the third-largest trading partner of the Republic of Korea. Furthermore, East Asia accounts for over 50% of China's

[18] Sebastian Strangio. ASEAN, China upgrade free trade agreement.*The Diplomat*. 2025. October 28 URL: https://thediplomat.com/2025/10/asean-china-upgrade-free-trade agreement/#:~:text=Diplomat%20Media%20Inc.%20seeks%20your (Last accessed: 19.02.2026)

total import and export trade and foreign direct investment. The economy is characterised by a high degree of complementarity, exhibiting considerable development potential. It is evident that the economic characteristics of China, Japan and the ROK have become a pivotal factor in ensuring the economic complementarity of this region. This development has provided a solid institutional foundation for the establishment of a close market integration organisation in the region. The three states resumed the negotiations of the China-Japan-South Korea free trade agreement[19].

This is a special regional cooperation within China and a regional cooperation established between the Chinese subject and the other three separate customs areas on the premise of one country. Both sides of the four origins have a common language and cultural tradition, and Chinese mainland cheap labor and resources and huge market potential. Taiwan’s capital, technology, and management experience and advantages in the field of high technology. Macao tourism, and gambling and Hong Kong as a trade, financing center, has laid a solid foundation for the development of the regional cooperation.

In June 2003, China and Hong Kong signed the Arrangement for Closer Economic and Trade Relations (CEPA), implemented on 1 January 2004. Next up will be the establishment of close economic and trade arrangements between the mainland, Macao, and Taiwan. The main obstacle comes from Taiwan’s political issues, but economic integration is unstoppable.

4. Regional economic integration: prospects for East Asia

Regional cooperation is exclusive to a certain extent, which can increase member states’ share in the regional market and ensure its economic interests. The synergy of regional cooperation is inevitably more significant than the individual strength of member states, which helps to improve the negotiating status of member states in the world market and enhance their international competitiveness Table 12.

[19]专家：中日韩领导人会议重启为三国合作带来新契机. 来源：*新华网*.2024年5月24日. URL: https://www.news.cn/world/20240524/df23c93dbac04cf08762d12db3b491c3/c.html(Last accessed: 22.12.2025)

Table 12

Synergy advantages in East Asia regional cooperation

First, there are close geopolitical interests among East Asian countries. East Asian countries have similar cultural origins and historical traditions. Regional cooperation can effectively improve collective competitiveness and ensure the realization of geographical interests.
Second, the economic development of East Asian countries shows strong relevance. The industrial ladder in the "goose division of labor mode" promotes the formation of the new East Asian economic division of labor – the division of labor along the product value chain. This production network strengthens the interconnection of the East Asian economy.
Third, internal trade in East Asia has proliferated, showing strengthened internal dependence. Due to the combination of vertical division of labor and horizontal interflow of labor force, and China's rapid economic development, fast growth of its foreign trade, East Asia regional trade in the proportion of East Asian countries, especially between ASEAN countries, between China and South Korea, between China and ASEAN and Japan's exports to China and its domestic import and exports have significantly increased.
Forth, the economic development of East Asian countries is highly complementary. Japan and the "Asian Tigers" have abundant capital and technology, while ASEAN and China have abundant resources and labor. Different resource endowments make all countries have different economic structures and increase the cooperation power of all countries. There are strong interest correlations among East Asian countries, and there is a broad practical basis for regional economic cooperation. Therefore, the efforts of East Asian countries to promote the process of regional economic cooperation will undoubtedly bring rapid development of regional economic cooperation.

However, currently, East Asian regional cooperation is at a crossroads where stagnation means regression. The "flying geese" model, which once led to East Asia's economic miracle, has gradually lost its effectiveness[20]. East Asia subsequently experienced a golden period of regional integration, achieving remarkable economic growth. In the contemporary geopolitical landscape, characterised by anti-globalisation, technological competition, and geopolitical dynamics during the Trump 2.0 presidency, the momentum of East Asian regional cooperation and integration is observed to be weakening, with development bottlenecks becoming increasingly prominent.

[20] The "flying geese" model, introduced by Kaname Akamatsu, illustrates the economic development trajectory in East Asia, with Japan as the "leading goose" and countries like South Korea and Singapore as "following geese." Its three main features are: a linear gradient transfer of industries from advanced to lower-cost regions; a vertical division of labor, where economies focus on specific segments of the global value chain; and export-oriented growth, utilizing cheap labor for large-scale production. Although this model facilitated East Asia's economic success post-World War II, evolving conditions have made it challenging to replicate this model with new "little dragons" and "little tigers."

At this juncture, only by reflecting on the experiences and lessons of the "flying geese" model and creating a new innovation-driven "flying geese" model, achieving a leap from comparative cost advantage to symbiotic innovation advantage, can regional countries hope to revive collective economic growth (Table 13).

Table 13

New model to born in East Asia

Firstly, China's rapid development has become the biggest variable in the East Asian economy, altering the regional industrial development landscape. With its massive size, complete industrial chain, and rapid technological iteration capabilities, China, while initially a recipient of low-end manufacturing, has continuously climbed towards the high end of the industrial and value chains, gradually becoming a "leading goose" in fields such as the digital economy and artificial intelligence. This has broken the original gradient transfer model in East Asia and reshaped the regional product division of labor.
Secondly, global value chains are being restructured, with traditional large-scale industrial transfers being replaced by task-oriented modular division of labor. For example, the design, component production, assembly, and marketing of smartphones may be distributed across multiple countries. This makes it increasingly difficult for developing countries to achieve full industrialization by undertaking a complete industry, instead easily locking them into low-value-added or specific segments of the value chain.
Thirdly, a revolutionary shift in technological paradigms is underway, with the digital and green economies becoming new engines of global growth. Big data, algorithms, computing power, and carbon emission rights have become new key production factors. The old "flying geese" model was based on economies of scale in manufacturing, while the new economic model relies more on innovation ecosystems, data flow, and standard setting. Developing countries that cannot build their own digital and green infrastructure and innovation capabilities will find it difficult to keep up with the new wave of development.
Fourthly, geopolitics is having a profound impact. The US's advocacy for economic "decoupling" from China and its "friendly outsourcing" geopolitical moves are fragmenting and reshaping global supply chains. In particular, the current US administration's tariff policies are making the export-oriented development model of East Asia, reliant on the US market, increasingly unsustainable. This has severely disrupted the previously relatively stable regional industrial division of labor system, which was driven by economic efficiency, and has made government and corporate decisions more influenced by security and political factors[21].

[21] 项昊宇：东亚区域经济发展呼唤新型"雁群模式" *环球网*. 2025.09.15. URL: https://baijiahao.baidu.com/s?id=1843281145357140759&wfr=spider&for=pc (Last accessed: 12.12.2025)

At its core, East Asian economies need to uphold openness and inclusiveness to counter protectionism and more proactively integrate into the regional and global economic system. In the new context, this integration should be about integrating into regional innovation networks, digital ecosystems, and green standards systems. In this process, the government's role in guiding resource investment, building infrastructure, and cultivating emerging industries is indispensable. However, the focus of industrial policy needs to shift from "receiving" to "cultivating," that is, from simply attracting investment to cultivating local innovation capabilities, human capital, and a favorable business environment.

Faced with new challenges, East Asia needs a new development framework that transcends linear and simple hierarchical distribution. This framework can be summarized as a "multi-core innovation collaborative network" model, which is no longer a single V-shaped "flying geese" formation, but a decentralized network structure (Table 14).

Table 14

Evolution of the East Asian Economic "Flying Geese" phenomenon

Phase 1 (1950s-1970s): Japan, as the "leading goose", rose to prominence through export oriented industrialization, transferring light industries such as textiles to neighboring regions.
Phase 2 (1980s-1990s):** Japan's industries upgraded to heavy chemical and high tech sectors, with the "Four Asian Tigers" taking over as manufacturing centers. Simultaneously, low end manufacturing began to shift to mainland China.
Phase 3 (2000s – Present): China became the "world's factory" and gradually transformed towards high end manufacturing and services. Some labor intensive industries further shifted to Southeast Asia (Vietnam, Laos, Mianmar etc.) and South Asia (Bangladesh, Pakistan). At this time, China's role gradually shifted from a "follower" to a "two headed goose" or multipolar pattern.

Then, how to judge and position the current situation of East Asia's regional economic cooperation and international division of labor. The idea is that East Asia's regional economic development is in a 'post-wild goose' pattern, which includes two aspects (Table 15).

In light of the prevailing circumstances of the 'post-wild goose mode', it is imperative for East Asian countries (regions) to devise measures aimed at mitigating the disadvantages associated with the erstwhile 'wild goose mode'. Such measures are intended to promote regional economic development and transition. In order to achieve this, the traditional form of non-institutional cooperation in East Asia must be changed to achieve win-

win cooperation and accelerate the process of regional economic integration characterised by institutional cooperation[22].

Table 15

East Asia's regional economic development in 'post-wild goose' pattern

First, East Asia's regional division of labor and economic development is still delayed by the traditional 'wild goose movement mode.' The determinant is the differences in levels of economic development that still exist among East Asian countries (in particular, Vietnam, Laos, Myanmar, Cambodia, and the Western China). The level of economic development remains very low, so the traditional 'goose mode' will still be in a considerable range. There are conditions and foundations for continuing existence in East Asia for a long time. Moreover, it also objectively contributes to the upgrading of industrial structure and the rapid economic development of various economies in East Asia, especially in relatively backward countries (regions).
Second, East Asia's regional international division of labor system is gradually transitioning to a new horizontal and networked regional international division of labor system. The characteristics of this new international division of labor system are that at the macro level, the horizontal division of labor between Japan, tigers, ASEAN countries, and China is gradually increasing and will eventually occupy the dominant position, the design, research, development, production, and distribution in the region. Accordingly, the development model based on the new horizontal network international division of labor system in East Asia, compared with the geese model, can be vividly compared to the 'group horse model' that countries transcend and pull each other.

CONCLUSIONS

East Asia represents a significant share of the global economy with regional cooperation on the rise since the 1990s to manage economic interdependencies and challenges like globalization, and climate change. In the current geopolitical context marked by anti-globalization and technological rivalry during the U.S.Trump 2.0 presidency, East Asian regional cooperation is twisting, with prominent development challenges emerging. To stimulate collective economic growth, regional nations must learn from the "flying geese" model and establish a new innovation-driven variant, moving from cost advantages to symbiotic innovation advantages. The shift from a focus on geographical proximity to "intercontinental openness" is exemplified by initiatives like APEC and subregional associations such as ASEAN, NAFTA, and SPF. This shift indicates that regional integration plays a crucial role in advancing globalization processes and fostering positive economic development in member countries.

[22] The ASEAN Plus Three (APT) Cooperation Work Plan 2023-2027.*Asean.org*.2023. URL: https://asean.org/wp-content/uploads/2022/08/APT-Cooperation-Work-Plan-2023-2027.pdf

Key frameworks for economic integration include the AEC and the RCEP, facilitating trade through various overlapping agreements. East Asia serves as a crucial institutional framework for multilateral cooperation, fostering regional identity and cooperation, especially for China, which aims to project a positive international image. Ukraine is encouraged to engage with East Asian nations through initiatives like free trade zones and to increase its trade with the region, thereby enhancing its industrial potential and trade capabilities. Ukrainian businesses should strengthen their presence in East Asia, supported by diplomatic efforts to establish business centers and promote exports.

SUMMARY

In the investigation of integration in East Asia, both domestic and foreign scholars have highlighted its complexity and significance. The integration process was marked by phases of growth and stagnation. While regional economic cooperation is still evolving, there is an unprecedented desire for collaboration, leading to significant institutional arrangements. Unlike the EU and NAFTA, which are established regional organizations, needs to enhance its institutionalization for economic integration. Most cooperation frameworks emerged in the mid to late 1980s, and although ASEAN’s free trade area concept originated in the 1960s, it is gaining traction until now. Since the 2000s, East Asian nations have accelerated their integration efforts, yielding positive outcomes. Integration is framed as a relationship and process characterized by economic interdependence and regionalization. While East Asian nations pursue liberalized trade through groups like ASEAN, they also use balanced protectionism to support emerging industries. Since the 2010s, East Asian countries have adopted various national strategies through institutions like ASEAN to navigate changing dynamics, focusing on engagement and risk-hedging. In 2012, ASEAN initiated negotiations for the Regional Comprehensive Economic Partnership (RCEP), involving member states and partners such as China and Japan, to strengthen its central role in economic initiatives. However, challenges like regional discord and China’s rise question this centrality. While the chapter reviews member states’ approaches to ASEAN policy – particularly Indonesia, Thailand, and Malaysia – it notes that debates arise regarding the alignment of ASEAN centrality with national interests. East Asian economic cooperation remains dialogic, with significant political and economic hurdles hindering the establishment of a free trade zone. This cooperation is characterized by a multifaceted, multi-mechanism process likened to a ‘four-wheeled vehicle,’ requiring collective efforts to develop a coherent trajectory and consensus for regional integration.

East Asian regional cooperation faces stagnation, marking a regression in the effectiveness of the "flying geese" model that once fostered economic growth. The current geopolitical climate, influenced by anti-globalization and technological competition, weakens integration efforts. To revive collective growth, countries must develop an innovation-driven model that shifts focus from comparative cost advantages to symbiotic innovation, embracing openness and inclusiveness. This entails engaging in regional innovation networks and adjusting industrial policies to cultivate local capabilities. A proposed "multi-core innovation collaborative network" model suggests a decentralized approach to overcome challenges associated with the previous 'wild goose mode', emphasizing a shift towards institutional cooperation for enhanced regional economic development.

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