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INSTITUTE OF EAST ASIAN STUDIES
UNIVERSITY OF CALIFORNIA • BERKELEY

The Asia-Pacific in the New Millennium

Geopolitics, Security, and Foreign Policy

EDITED BY
Shalendra D. Sharma

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Foreword

The present volume emerges from the conference "Asia in the New Millennium: Geopolitics, Security, and Foreign Policy" convened by the Center for the Pacific Rim at the University of San Francisco (USF) on September 26–27, 1997. Although the conference took place before the severity and depth of Asia's financial crisis was apparent and before India and Pakistan conducted nuclear tests, the reader will find that the distinguished contributors to this volume have factored these important developments into their revised essays. Moreover, the essay by Shalendra D. Sharma is included in this volume to take into account the causes and ramifications of the Asian financial crisis. Overall, we think that the reader will find the insights and analyses of the Asia-Pacific presented here to be timely and of continuing value.

The USF Center for the Pacific Rim is pleased to have convened this conference. The center was founded by USF in 1988 with the aim of promoting greater understanding of and among the cultures and economies of the Pacific Rim. To this end the center offers academic degree programs, engages in research and publication, provides public education on critical policy issues facing the Asia-Pacific region, organizes major conferences, and publishes proceedings in the form of volumes such as this and a working paper series under the name Pacific Rim Report.

On behalf of the USF Center for the Pacific Rim, I wish especially to thank Professor Shalendra D. Sharma, associate professor of politics at USF and the director of the Master of Arts Program in Asia Pacific Studies at our Center for the Pacific Rim, for organizing and chairing the 1997 conference and for editing the present volume. Gratitude is also extended to the distinguished scholars and experts whose work is presented here and to the Institute of East Asian Studies, University of California, Berkeley, for publishing this volume.

Barbara K. Bundy, Ph.D.
Executive Director
University of San Francisco Center for the Pacific Rim

Acknowledgments

The University of San Francisco (USF) hosted a special two-day conference, "Asia in the New Millennium: Geopolitics, Security, and Foreign Policy," on September 26–27, 1997, to honor our distinguished Asia-hand, Richard J. Kozicki, professor emeritus of political science and Asian studies. Professor Kozicki, a pioneer of Asian studies in the United States, throughout his long and distinguished career (with twenty-three years of service to USF prior to his retirement in 1993) steadfastly promoted Asian studies. Conference participants included some of the most distinguished scholars on Asian affairs (most close friends of Richard Kozicki). Revisions of papers presented at the conference make up this volume.

From organizing the conference to completing this volume, I have incurred numerous debts of gratitude. My greatest debt is to Dr. Stanley D. Nel, dean of the College of Arts and Sciences at USF. Without his strong support and encouragement none of this could have been possible. I owe special thanks to Dr. Barbara K. Bundy, executive director of the USF Center for the Pacific Rim, and to Krysten Elbers, secretary at the center. With exceptional professionalism and élan, Barbara and Krysten not only put the conference together, but helped me in innumerable ways to see this project reach its completion. Krysten orchestrated the truly monumental task of coordinating and keeping track of the many draft chapters and disks with exceptional skill and grace. I thank her for her generosity and assistance.

I must also record my deep appreciation to the sixteen contributors. They made my task a lot easier by their willingness to make several revisions to their papers so that we could produce timely, first-rate studies. Special thanks to Professors Lowell Dittmer, Robert Scalapino, Leo Rose, and Uldis Kruze for their keen interest in this project and for their intellectual guidance and encouragement. To all of them, I extend my warmest thanks and the customary absolving of any responsibility for surviving deficiencies in the work.

I was also fortunate to benefit from the generous assistance of a number of truly exceptional USF students. Thomas Curteman, my research assistant, performed a multitude of duties with superb efficiency and a welcome sense of humor. Similarly, Javier Huete, Cyrus Fama, Seo Hyun Kim, Giovanni Segni, Bhagman Singh, and Juan Callejas provided timely help at critical junctures. I thank them one and all for their generosity.

It is a great honor to have this volume published by the Institute of East Asian Studies, University of California, Berkeley. I would like to express my sincere thanks to Joanne Sandstrom, managing editor at IEAS, for her encouragement and advice.

INTRODUCTION

An Overview of Asia in the New Millennium

SHALENDRA D. SHARMA

The post–Cold War era provides both opportunities and challenges to the Asia-Pacific—a vast and complex region stretching from the Indian subcontinent to China, the Korean Peninsula, Japan, and the states of Southeast Asia. This volume, drawing on the expertise of a distinguished group of scholars and policy makers, critically examines the dramatic changes taking place in the Asia-Pacific region, their implications for regional and global security and stability, and the challenges such changes will present in the new millennium. Using a rich array of conceptual and methodological approaches, the contributors provide a nuanced interpretation and analysis of these complex issues.

Robert A. Scalapino's introductory (and thematic) essay provides a sophisticated overview of the opportunities and challenges facing the Asia-Pacific region as it enters the new millennium. He argues that to speak of Asia as a unit or a single entity is profoundly misleading. There are many "Asias," and despite the rapid advance of globalization, economic interdependence, and the erosion of ideological barriers, there will continue to be vast differences—economic, political, and cultural—between and among Asian societies. Scalapino lucidly identifies "five contemporary Asias": (1) the advanced modern societies; (2) those on the threshold of advanced modernization; (3) the rapidly developing societies; (4) the reforming Leninist states; and (5) the failing or failed states. The advanced modern nations of Asia (Japan and Singapore) must face the problems associated with rapid urbanization: an aging population, overcrowding, rising cost of living, and growing economic inequalities and social alienation. Equally important, to keep its place as the strongest economic power in the region, Japan must move beyond its "program of neo-

mercantilism and a cartelized industrial structure." In addition, both Japan and Singapore (especially the latter) must move toward building a more accountable and transparent political system.

The nations on the threshold of advanced modernization (Taiwan and the Republic of Korea [ROK]) will need to better balance the pervasive domestic cleavages, reform their economies, and continue to build more open and competitive political institutions that can more effectively resolve the growing problems associated with "money politics" and corruption. The rapidly developing nations, in particular, the "ASEAN four" (Indonesia, Malaysia, Thailand, and the Philippines) will continue to face economic challenges and confront the problems associated with their relatively fragile political institutions and a high dependence upon personalities in politics.[1] These nations will have to augment their still relatively fragile political systems (some still vulnerable to military takeover) with increasing economic openness—while avoiding the slipshod regulatory practices responsible for the current financial turmoil. The reforming Leninist states (China, Vietnam, Laos) face the problems associated with strained resources, growing socioeconomic inequalities, massive corruption, and uncertain leadership. However, there is no going back to socialism. Rather, their move toward a market system will continue to intensify—with significant ramifications on their political economies. Lastly, the failing states (Myanmar, North Korea, Cambodia) face almost insurmountable political and economic problems. While some promising signs can be discerned in Cambodia, future prospects look bleak for Myanmar and even bleaker for North Korea, where a catastrophic famine has already claimed the lives of an estimated one to three million people.

Scalapino aptly notes that regional and international cooperation is key to the future prosperity and stability of the region. Empowering regional organizations like APEC (Asia Pacific Economic Cooperation) and ASEAN to deal with the myriad problems (such as environmental degradation, security, and economic development) is a critical first step. Moreover, Asian nations and

[1] ASEAN (Association of Southeast Asian Nations) was formed in 1967 by Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Brunei became a member in 1984, Vietnam in 1995, and Myanmar (Burma) in 1997. ASEAN provides a forum for confidence building and preventive diplomacy among its members. In recent years ASEAN has been expanded: ASEAN dialogue partners include Australia, Canada, the European Union, Japan, New Zealand, and the United States.

Part 1

Conceptualizing the Asia-Pacific's Future Direction

ONE

The Asia-Pacific in the New Millennium

ROBERT A. SCALAPINO

The scientific-technological revolution now encompassing an ever larger portion of our world shows no sign of abating. On the contrary, whether the field be information, medicine, transnational relations, or space exploration, the future will bring further advances. One arduous task of leaders and citizens alike is that of adjusting to the pace of change. Compared to earlier centuries, ours is an age when rapid and diverse responses to events are often required. Little time for contemplation or reconsideration is given. Fatigue—physical, emotional, and mental—is thus a frequent companion to the exhilaration of confronting an unending stream of new challenges.

The effect of speed upon Asian societies is only now beginning to be felt in its fullest dimensions. Having come late to the industrial revolution, much of Asia has been accustomed to a greater degree of continuity than is permitted today. When one thinks of the past, the great Buddhist legacy, the wheel of life, comes to mind. Wherever one got on that wheel, one came back to the same starting point. Other symbols of the traditional order are still in evidence: the respect for ancestors and for those senior in age, the special accord for agriculture even after the advent of the industrial age, and the premium upon consultation and consensus all testify to a linkage with the past reluctantly abandoned.

With much of Asia in the vortex of revolutionary advances, it is easy to assert that the twenty-first century will be an Asian century, as has commonly been done. One can assemble statistics to demonstrate the dominant role this region will play in the world economy despite its recent problems. One can also point to substantial if highly uneven advances in military power. Moreover, at least one Asian society, namely, Japan, now stands on the

Part 2

Emergent China

TWO

Domestic Sources of Chinese Foreign Policy after Deng

DAVID BACHMAN

The theme of the conference for which this essay was written was Asia in the new millennium. I took this as an opportunity and a challenge to not simply extrapolate from the recent past or indeed to focus on the recent past, but to make an argument about future trends and possibilities.

In discussing the domestic sources of Chinese foreign policy in an "Asia on the eve of a new millennium," one could begin with an extended methodological note arguing that the interaction of domestic and external sources of foreign policy is a classic chicken and egg problem. Both can and do trigger foreign policy behaviors and create feedback, which in turn may create new Chinese foreign policy behaviors. Does the original impetus for such a potential never-ending chain of action and reaction really matter? How do we know what the original event was? Additional concerns can be raised, and we quickly arrive at trying to figure out how many angels can dance on the head of a pin.

Instead, in this essay, I divide the domestic sources of Chinese foreign policy in the near future as coming from four different sources: leadership conflict, interest groups (for lack of a better term), ideology, and socioeconomic sources. I will argue that the most important domestic sources of Chinese foreign policy in the next five to twenty-five years are likely to the socioeconomic, and they are also likely to be the most predictable, at least in the first instance. What reactions these internal stimuli provoke become much less predictable and much more contingent (as is true of most foreign policy interactions).

These four categories of the domestic sources of Chinese foreign policy are not internally homogenous. Leadership conflict

THREE

Sino-U.S. Relations: A Chinese Perspective

NI SHIXIONG

Before the resignation of his last post as chairman of the Central Military Commission in late 1989, China's paramount leader, the late Deng Xiaoping, told his successor, Jiang Zemin, that he would still have two big concerns after his retirement: economic reform and opening-up, and Sino-U.S. relations. Regarding the latter, he emphasized that if this important relationship was handled properly, there would be more flexibility in diplomatic maneuvers. President Jiang made the same comments to Madeleine Albright, the new U.S. secretary of state, when she was visiting Beijing in February 1997, a few days after Deng's death.

It goes without saying that in the post–Cold War era, the Sino-U.S. relationship is the most important of China's bilateral relationships, yet at the same time, it is the hardest one to deal with. Since 1949, this complex relationship has gone through the following four phases: confrontation, normalization, development, and recovery.

Confrontation (1949–1972)

For reasons that are well known, the first twenty-three years following the founding of the People's Republic of China (PRC) were characterized by confrontation and hostility between China and the United States—when the Cold War rivalry was the order of the day. China not only tilted toward the Soviet Union; China and the United States also saw each other as enemies. The two countries' different positions during the Korean and Vietnam wars and the United States' unilateral support of Taiwan (which seriously undermined the process of China's unification) further widened the gulf. Doak Barnett, a well-known U.S. China scholar,

FOUR

China and the Dynamics of the Korean Peninsula

QUANSHENG ZHAO

Contemporary Chinese foreign policy (up to early 1997) can be divided into two eras—the era of Mao Zedong and the era of Deng Xiaoping. The era of Mao, which lasted from 1949 to 1976, was a radical revolutionary period highlighted by the Cultural Revolution (1966–76), which caused what the Chinese Communist Party (CCP) itself has described as "the most severe setback and the heaviest losses . . . since the founding of the People's Republic." The era of Deng (1978–97), a period of pragmatism, has led to "a new situation in all fields of socialist modernization."[1] After the death of Deng in February 1997, China moved into the post-Deng era headed by Jiang Zemin, Beijing's third generation of leadership. One of the keys for comprehending China's policy options for the Korean Peninsula is to understand the differences between the era of Mao and the era of Deng.

From a Revolutionary Power to a Postrevolutionary State

The Deng era can be regarded as a postrevolutionary era, clearly different from the revolutionary Mao era in its national priorities and behavior patterns toward the rest of the world community. One can identify at least three differences between the two stages. First, a revolutionary state conducts a "continuous revolution" internally and "world revolution" externally, whereas a postrevolutionary state sets economic development as its first

[1] See Central Committee of the Communist Party of China, *Resolution on CPC History (1949–81)* (Beijing: Foreign Languages Press, 1981), p. 32.

FIVE

Chinese Foreign Policy Entering the Twenty-first Century

ALLEN S. WHITING

Looking Back from Abroad

Before projecting Chinese foreign policy in the twenty-first century it is sobering to recall the failures at such efforts since 1949.[1] In 1950 U.S. policy makers did not anticipate China's entry into the Korean War. Taking on the world's strongest military power did not seem logical for a country that had just achieved national unity after more than a decade of Japanese invasion and civil war. But the cost-benefit calculus of Beijing did not accord with that projected by Washington. Chinese defensive concerns prompted offensive action that inflicted the most humiliating reversal on U.S. forces experienced until that time.[2]

Confronted with the Sino-Soviet alliance, U.S. policy hoped eventually to divide Beijing from Moscow. But few inside or outside the government thought this would occur in the near future. Yet in 1959–60 Mao Zedong's attack on Nikita Khrushchev's leadership of international communism and his behavior as an ally destroyed that relationship. As a result China lost its only major source of military weapons and industrial assistance. Once again political goals outweighed practical losses. Then in the mid-1960s

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[1] For a review of my own record of hits and misses see Allen S. Whiting, "Forecasting Chinese Foreign Policy: International Relations Theory v. the Fortune Cookie," in *Chinese Foreign Policy: Theory and Practice*, ed. Thomas W. Robinson and David Shambaugh (Oxford: Oxford University Press, 1994), pp. 506–23.

[2] Chen Jian, *China's Road to the Korean War: The Making of the Sino-American Confrontation* (New York: Columbia University Press, 1994).

Part 3

Northeast Asia and the CIS

SIX

China-Japan Relations

ULDIS KRUZE

Within the past two years, three major milestones have been passed in the history of modern Sino-Japanese relations. September 1997 marked the twenty-fifth anniversary of the normalization of relations between China and Japan. It was in September 1972 that Prime Minister Kakuei Tanaka of Japan flew to Beijing and negotiated resumption of full diplomatic relations with China's aging leaders Mao Zedong and Zhou Enlai. August 1998 marked the twentieth anniversary of the signing of the China-Japan Treaty of Peace and Friendship, initialed by Foreign Ministers Huang Hua of China and Sonoda Sunao of Japan. And, during late November 1998, President Jiang Zemin of the People's Republic of China made an extensive five-day tour of Japan, highlighted by a joint declaration that specified thirty-three areas of future cooperation to be accomplished in the twenty-first century.

Sino-Japanese relations have indeed come a long way in the last three decades of the twentieth century. Up until 1972, China and Japan had been locked into an antagonistic stance as a result of Cold War rivalries. China's "tilt" to the Soviet Union was symbolized by its 1950 security treaty with Moscow, and Japan became formally linked to the United States with a mutual security treaty that went into effect in 1952. People-to-people ties were nonexistent, the media regularly exchanged insults and diatribes, and trade—what little existed—fluctuated at $15–$100 million annually between 1952 and 1963.[1]

The first half of the twentieth century had been even more traumatic, especially for the Chinese. Japan defeated China

[1] Wolf Mendel, *Issues in Japan's China Policy* (Oxford, 1978), p. 127. All dollar figures are U.S. dollars unless otherwise noted.

SEVEN

Japan's Post–Cold War Policy toward China: Attempts at a Broader Relationship

DAVID ARASE

The latter half of the 1990s has been a challenging period for Japanese policy toward China. Japan attempted to start a meaningful security dialog with China, but the results have been disappointing, leaving the future direction of bilateral relations difficult to predict.

The Korean War (1950–53) marked the arrival of the Cold War in Asia, and the membership of China and Japan in rival strategic blocs meant that normal political and economic relations would be impossible in the early Cold War period. Nevertheless, Japan and China could see the benefit of trade relations, and a focus on economic exchange based on agreements negotiated on an informal basis became a defining characteristic of Sino-Japanese relations during the 1950s and 1960s. Japan's trade and cultural relations with the People's Republic of China were managed by senior conservative politicians such as Tanzan Ishibashi and Kenzo Matsumura in this period. They did their work with the support of Japanese business and political elements such as conservatives who had sentimental ties to China resulting from prewar involvement there and leftists sympathetic to the Communist regime in Beijing. The informal, behind-the-scenes contacts between Japan and China of the early postwar years facilitated the normalization of relations in 1972 and has carried on to some extent even after normalization has institutionalized a broad spectrum of bilateral relations (table 1).[1]

[1] Sadako Ogata, *Normalization with China: A Comparative Study of U.S. and Japanese Processes* (Berkeley: Institute of East Asian Studies, University of California, 1988); and Quansheng Zhao, *Japanese Policymaking: Informal Mechanisms and the Making of China Policy* (Westport, Conn: Praeger, 1993).

EIGHT

China and Russia Approach the Millennium

LOWELL DITTMER

China's relationship to its northern neighbor, ever (and still) the world's largest country, with which China shared the longest contiguous land border in the world (and still shares, though dissolution of the USSR has cut it in half, from some 7,000 kilometers to 3,484 kilometers),[1] has long been mutually formative. The Russian empire was among the first Western predators to impinge itself on the Middle Kingdom—less dramatically than, say, the English or the Japanese, but no less successfully—thereby contributing to the painful education of China in the rules of modern realpolitik. But though the Chinese prefer to nurse the wounds of the nineteenth century, the Mongol Golden Horde successfully invaded Russia during the late thirteenth century (early Yuan dynasty), burning Moscow, taking Kiev, and exacting tribute for the next two centuries. Thus both sides have been aware (and wary) of one another for a long time. No less significant has been the role of the Soviet Union in postimperial China's quest for national identity.[2] Both countries grasped the Marxist doctrine of

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I am indebted to Dwight Dyer for research assistance on this study and to the Center for Chinese Studies of the University of California at Berkeley for financial support. For interviews I wish to thank Li Jingjie, vice-chair of the Institute of Russian and East European Studies of the Chinese Academy of Social Sciences, and Alexander Kozlov, first secretary of the Russian embassy, both in Beijing.

[1] The Sino-Soviet border was some 7,000 kilometers long. Since the disintegration of the USSR, it has contracted to 3,484 kilometers, while the Sino-Kazakh border stretches for about 2,000 kilometers, the Sino-Kyrgyz border for 1,000 kilometers, and the Sino-Tajikistan border for about 500 kilometers.

[2] See Lowell Dittmer, *Sino-Soviet Normalization and Its International Implications* (Seattle: University of Washington Press, 1992); and Lowell Dittmer and Samuel S. Kim, eds., *China's Quest for National Identity* (Ithaca, N.Y.: Cornell University Press, 1993).

NINE

Tragedy and Hope on the Korean Peninsula

BRUCE CUMINGS

Millennial fever gripped everyone as the days counted down to the year 2000. How much more so for the Korean people: for them, the twentieth century was not a good one. After nearly a half-century of brutal imperial occupation by Japan, the country was divided after the Pacific War ended, wracked by a vicious civil war, and then returned to its contentious antebellum condition of national division and military confrontation. Many Koreans thought that this century of troubles would come to an end after the Berlin Wall fell in 1989, for the destruction of the wall appeared to remove the ideological polarities and bloc politics that had characterized the Cold War, perhaps clearing the way for a long-awaited reunification. But as 1999 came to a close, unification was no nearer and cold war no further away than it had been a decade before. Instead, a major humanitarian crisis engulfed North Korea, and important diplomatic initiatives proceeded at a glacial pace; the possibility of a new Korean war is ever present, as it has been since 1945. This, clearly, is a tragedy for the Korean people. But there is hope, hope in the paradox that Korea, for all its problems, may be a place where a humanitarian crisis and a democratic transition in the Republic of Korea can be the prelude to settling this long-lasting, seemingly interminable war as well. That is what I will argue here. But first let us examine the depth of the current crisis.

Since the death of Kim Il Sung in 1994, North Korea has been visited with two years of flood (1995 and 1996), a summer of drought (1997), and a resulting famine that has claimed or currently threatens the lives of two million people. This is a textbook example of the calamities that are supposed to attend the end of the Confucian dynastic cycle, and North Korean citizens

Part 4

India: Regional and Global Challenges

TEN

India's Foreign Policy in the Post–Cold War World: Searching for a New Model

WALTER ANDERSEN

The post–Cold War policy challenge facing New Delhi is to devise a new strategy that would continue to advance two long-term goals of Indian foreign policy: (1) international recognition as a great power and (2) reduction of the chances of outside involvement in the security affairs of the subcontinent.

Over the past decade, India's international and domestic environment has changed significantly, forcing the country's leadership to reevaluate its foreign policy goals and to modify its approach to secure them. Military threats have been declining for a decade. Relations with China have improved. Pakistan no longer possesses the special arms relationship with the United States that it had in the 1980s when it was a front-line state against Soviet aggression in Afghanistan. Defense spending thus has a lower priority, though the May 1998 nuclear tests underscore the continuing concerns about building a capability to deter potential threats from neighboring states. Military spending will almost certainly increase over the short run because of Indian efforts to improve defenses along Kashmir's Line of Control (LoC), where Indian military forces and infiltrators from Pakistan fought along a rugged strip of territory on the Indian side during May–June 1999. Whether the level of defense spending moves significantly higher on a sustained basis will depend on the ability of India and Pakistan to contain the level of violence in the state of Jammu and Kashmir, which is claimed by both countries and has been the

The views expressed here are those of the author and not necessarily the U.S. Department of State.

ELEVEN

India and China: Forging a New Relationship

LEO E. ROSE

Since the 1950s, the China–South Asia relationship has aroused considerable interest among the states in the subcontinent as well as some of the major external powers, primarily the Soviet Union and the United States during the Cold War. Most of the attention has been directed at the perception of China's policy objectives in South Asia and the role that presumably it seeks to play in the region. In this chapter, however, my primary focus will be on the South Asian states' perceptions, or often misperceptions, of the PRC's role in South Asian regional politics, in particular in the period between the 1962 Sino-Indian war and the end of the Cold War in 1990–91, and in subsequent developments.

Although the South Asian states responded very differently to China's role in the region, there was a general agreement on China's policy objectives. The Indian view was that China's primary objective in the region was to support and strengthen India's neighbors—Pakistan and Nepal primarily but also on occasion Bangladesh and Sri Lanka—in their efforts to resist India's claims to hegemony in South Asia as well as to reject any role in India's regional security system. There were some doubts in New Delhi about how far Beijing was prepared to go to counter and frustrate India's regional policy objectives and, in particular, to resort to military force in supporting the smaller South Asian states, but there was no doubt among most Indians that China would do what it could to maintain and expand the independence (autonomy might be a better term) of the other states in the subcontinent. In any case, China was perceived to be a major complication in the complex intraregional politics in the subcontinent.

The other South Asian states, of course, also perceived China as a potentially effective counterbalance to India's predominance

TWELVE

Nuclear Proliferation in South Asia: Origins, Consequences, and Prospects

SUMIT GANGULY

Despite the end of the Cold War and the resolution of a number of regional conflicts across the globe, the Indo-Pakistani dispute shows few signs of abating. Historically, the two states have resorted to war on three occasions, in 1947–48, 1965, and 1971. More recently, at least two "war scares" in 1987 and 1990 have punctuated their relations. Allegations of an imminent Indian nuclear test in December 1995 also disturbed bilateral relations.[1] Most recently, despite a professed renewed commitment to improve relations, in August and September 1998, in the aftermath of Indian and Pakistani nuclear tests, border skirmishes ensued along the Line of Control (LoC) in Kashmir. At a multilateral level, both states remain outside the ambit of the Nuclear Nonproliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT). It is highly unlikely that either state will accede to the NPT, but both states have publicly announced their intentions to accede to the CTBT before September 1999.[2]

[1] For a description and analysis of the three Indo-Pakistani wars see Sumit Ganguly, *The Origins of War in South Asia: The Indo-Pakistani Conflicts since 1947*, 2d ed. (Boulder, Colo.: Westview, 1994). The two "war scares" include the Brasstacks crisis of 1987 and the Kashmir-related crisis of 1990. For an analysis of the Brasstacks crisis, see Kanti Bajpai, P. R. Chari, Pervaiz Iqbal Cheema, Stephen P. Cohen, and Sumit Ganguly, *Brasstacks and Beyond: Perception and the Management of Crisis in South Asia* (New Delhi: Manohar Books, 1995). On the 1990 crisis see Seymour Hersh, "On the Nuclear Edge," *The New Yorker*, March 29, 1993; Vipin Gupta and Frank Pabian, "Investigating the Allegations of Indian Nuclear Test Preparations in the Rajasthan Desert," *Science and Global Security* 6 (1996): 101–89.

[2] India refuses to join the NPT regime on the grounds of its fundamentally discriminatory features. The NPT exhorts the nuclear weapons states only to make good-faith efforts toward disarmament but places important constraints on the ac-

Part 5

Southeast Asia: Searching for Security and Stability

THIRTEEN

ASEAN: Challenges of Regional Political and Economic Cooperation

DIANE K. MAUZY

The Association of Southeast Asian Nations (ASEAN) has been called "one of the most constructive and consequential regional groupings in the world."[1] This chapter seeks to investigate how a collection of not very powerful states has managed to play a leading role in shaping the region's international institutions and forums through the dynamic initiatives taken by the region's organization and to explain how these initiatives have unexpectedly dovetailed with the Asian economic crisis to present serious new challenges to the stability and credibility of ASEAN.

ASEAN has been weakened by the problems associated with its increased membership, changes in leadership, and the dissipation of regional wealth and self-confidence as a result of the economic crisis. The position proposed here is that although ASEAN faces a host of simultaneous challenges, its role in effectively managing bilateral conflicts among members, regional security issues (particularly those involving China), and the reality of interdependence of the ASEAN economies will assure ASEAN's relevance and also provide the glue necessary to hold the organization together. As Lee Kuan Yew noted, "What brought us together was the need for greater weight. That will keep us together."[2]

Background

For much of the time since World War II, Southeast Asia has been characterized by conflict, turmoil, and political instability.[3]

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[1] Greg Sheridan, *Tigers* (St. Leonards, NSW: Allen and Unwin, 1997), p. 91.

[2] *Straits Times Weekly Edition*, December 12, 1998.

[3] See, for example, Robert Payne, *The Revolt of Asia* (London: Victor Gollancz, 1948); Milton E. Osborne, *Region of Revolt: Focus on Southeast Asia* (Rushcutters Bay, NSW: Pergamon Press, 1970); Robert Shaplen, *Time Out of Hand: Revolution and*

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Security Prospects in Southeast Asia in the New Millennium

SHELDON SIMON

International security through most of the twentieth century has been based on the idea of the *adversary*—a country (or countries) against which alliances form in realist theory to effect a power balance. Thus, in World War I, the Triple Entente opposed the Triple Alliance; in World War II, it was the Allies against the Axis; and in the recently concluded Cold War, the Western bloc centered on the United States confronted the Soviet bloc. These macro political/security structures engaged in competitive arming either to fight (in the two world wars) or to deter (in the Cold War). In all three instances, preparation for war dominated all other political relationships.

At the twentieth century's end, however, the world is in the fortunate situation where global rivalries are absent. Neither universalist ideological adversaries nor mutually exclusive territorial or resource claims command world politics. If ever a time existed for new, less conflictual approaches to international security, it would seem to be now. In Europe, the North Atlantic Treaty Organization (NATO), a well-integrated Cold War institution, is being adapted for this new environment through expansion of membership as well as the creation of a new, positive relationship with Russia, its original adversary. In Asia, Cold War security arrangements were predominantly bilateral. Although these ties continue, despite the absence of an identifiable adversary, Asia-Pacific states realize that supplementary security forms are necessary—hence, the interest in cooperative security.

Although there has been no major war in Asia since Vietnam invaded Cambodia almost twenty years ago, tensions persist between North and South Korea, between Russia and Japan over the Kurile islands, between China and Taiwan, and even among

FIFTEEN

The ASEAN Regional Forum and China

ROSEMARY FOOT

In July 1999, the ASEAN Regional Forum (ARF) reached—rather than celebrated—its fifth birthday. That body, the first multilateral and inclusive security organization for the Asia-Pacific, was conceived at a time of great uncertainty prompted by the ending of the Cold War and the thrusting of new responsibilities for generating a security order onto regional states. New uncertainties now face the ARF as many of its member states grapple with the challenges associated with the economic crisis in the region, a crisis that has led to an inevitable turning inward as governments deal not only with a reversal in economic fortune but also with the political and social instabilities that have come in its wake. With these preoccupations in mind, it seems timely to provide an assessment of China's role in and attitude toward the ARF, for it is accepted that China is a crucial participant in this multilateral security organization and that one of the ARF's central goals from the beginning has been to engage Beijing.

China as the Focus

When the idea of establishing a multilateral security organization in the Asia-Pacific was first raised in the late 1980s and early 1990s, government officials and commentators in the region appeared concerned that China's rising power, in combination with a presumed U.S. strategic withdrawal, could in turn provide

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SIXTEEN

Thailand's Foreign Policy in the New Millennium

KUSUMA SNITWONGSE

Thailand's foreign policy has often been likened to bamboo, with a connotation of being opportunistic and thus lacking in principle. More accurately, Thai foreign policy is better characterized as pragmatic and flexible in adjusting to the existing external environment, befitting a small country. Such traits helped Thailand to be the only country in Southeast Asia to escape colonization by the West. Consequently, without colonial baggage to carry, Thailand's foreign policy after World War II was unconstrained by an ideology of anti-imperialism and therefore could continue to be pragmatic and flexible.

Thai Foreign Policy during the Cold War

Being a small country with limited economic and military resources, Thailand, by necessity, has taken the international environment as a given and adjusted to it to achieve its foreign policy goals with security as its top priority. Thus, within the bipolar system of the Cold War era, Thailand, which perceived threats as coming from the Communist camp, particularly the Soviet Union and China, found it logical to ally itself with the United States. Besides coming under the U.S. security umbrella, Thailand also benefited from U.S. largesse in the form of military and economic assistance.

As telltale signs of weakening U.S. commitment to protecting mainland Southeast Asia from Communist inroads started to appear in the late 1960s, Thailand found a hedge in regional cooperation and became instrumental in the founding of ASEAN. Nevertheless, the infant ASEAN was considered primarily as a supplement to the alliance with the United States. This feeling

Part 6

The Asian Financial Crisis and Beyond

SEVENTEEN

The Asian Financial Crisis: Its Origins, the IMF, and Future Prospects

SHALENDRA D. SHARMA

> During the period of economic growth, we were too complacent. In good times we forgot many important truths and neglected many important tasks; we opened up our economy, but our stated plans to pursue discipline were not followed up; we attracted massive flows of cheap foreign capital, which we did not always spend or invest with enough prudence.... We did not examine the fundamentals of our politics and governance or tackle issues such as bureaucratic inefficiency, lack of transparency and lack of accountability.... Naturally we were quickly and severely disciplined by the market.[1]

In July 1995, during one of their usually sedate summer public forums, senior policy makers at the International Monetary Fund (IMF) dropped a bombshell when they projected the unthinkable: that the high-performing "miracle economies" of Southeast and East Asia were quite vulnerable to the "tequila effect" that ravaged the Mexican peso in December 1994. With calculated precision, they argued that despite the Asian tigers' seemingly sound macroeconomic fundamentals, the disturbing tell-tale signs of a catastrophic macroeconomic disequilibrium also loomed on the horizon for a number of the "star performers," in particular, the ASEAN four—Thailand, Indonesia, Malaysia, the Philippines—and, to the utter disbelief of many, the world's eleventh-largest and the most miraculous of Asia's miracle economies, the Republic

[1] Excerpts from the address given by His Honorable, Mr. Chuan Leekpai, Prime Minister of Thailand, to the Council on Foreign Relations and Asia Society on March 11, 1998, New York. The full address is accessible via the Internet: <www.foreignrelations.org/studies/pubs.html>

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