

Globalism and Regionalism

Selected Papers Delivered at the United Nations University Global Seminar '96 Shonan Session, 2-6 September 1996, Hayama, Japan



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Preface

Toshiro Tanaka and Takashi Inoguchi

This is a collection of selected papers presented at the UNU Global Seminar '96 "Shonan Session" on "Globalism and Regionalism", held 2-6 September 1996 at Shonan International Village, Hayama, Kanagawa, Japan.

We are now in the post-Cold War era. One of the characteristics of international society is the strengthening of the moves to seek regional conflict resolution through global forums such as the United Nations. The UN peacekeeping operations in Cambodia, Rwanda, Haiti, Croatia, the former Yugoslav Republic of Macedonia are examples. Moreover, the United Nations is broadening its roles in economic and social development. The UN Conference on Environment and Development (1992), the International Conference on Population and Development (1994), the Fourth World Conference on Women (1995) are among such activities. In trade, the WTO (World Trade Organization), born out of GATT (General Agreement on Tariffs and Trade) through the Uruguay Round, has been setting worldwide trade rules and attempting to solve trade conflicts.

Another characteristic of current international society is the establishment and strengthening of regional cooperation. From the EC (European Community) to the EU (European Union), from the US-Canada Free Trade Area to NAFTA (North American Free Trade Agreement), the institutionalization of APEC (Asia Pacific Economic Cooperation) and the establishment of MERCOSUR (Southern Cone Common Market) are some examples. There are also attempts to establish dialogue and cooperation between regions. ASEM's (Asia Europe Meeting) first summit meeting, held 1-2 March 1996 in Bangkok, Thailand, was one such case.

What are the relations between these regional moves and global moves? Does regionalism contradict globalism? What are the meanings of the "open regionalism" advocated by APEC and are they practical? How can regional organizations cooperate with the United Nations to solve security issues?

This selection of papers is divided into two parts. The first part consists of two papers originally presented as keynote speeches at the seminar. The second examines the trends and challenges observable in post-Cold War Asia and the Pacific.

The first paper is "Globalization, the New Regionalism and East Asia". Professor Hettne departs from the hypothesis that the two processes of globalization and regionalization are articulated within the same larger process of global structural change. He sees the current world as a borderless world in which territory has lost all importance and characterized by an ongoing process of globalization with a changing international division of labour, financial transactions and trade in goods. At the same time, however, the new regionalism, different from regional integrations in the 1950s and 1960s, implies a return to the territorial and "the political" and multipolarism. Prof. Hettne then analyses the dynamics of regionalization as processes going on

(1) between various dimensions inherent in the process, and (2) between levels of the world-system.

The second paper, "Global or Regional: What Can International Organizations Do?", by Professor Russett, points out that international organizations (IGOs) are created for particular purposes, including peace among members, external security, economic development, securing human rights and democracy, and IGOs can do things individual states cannot do. Global organizations, such as the United Nations and its agencies, have a decent record, though not yet nearly good enough. On the other hand, regional organizations vary. The European model is the most successful because it is most homogeneous, and diversity may make success difficult in other regions. The need for IGOs is evident and strong. Various issues must be addressed at both the regional and global levels and there should be no a priori preference for one over the other.

In "North-East Asia in the Global and Regional Context: Security Options for the Next Century", Prof. Ahn sees the world of today at a turning point. The changes that we are undergoing are global in scope, and in content revolutionary, fundamental and structural, and North-East Asia is also in a period of a great political and economic transformation. He sees two conflicting trends, optimism by the liberal school and uncertainty by the realist school, continuing to coexist in the post-Cold War world. He takes the realist view and advises us to reduce uncertainty and to make every country to act positively for the future of the world and Asia.

In the fourth article, "Peace and Security in the Post-Cold War Asia Pacific Region", Dr. Hernandez observes that a highly fluid and flexible regional strategic environment in the Asia Pacific region was one of the major consequences of the removal of the Cold War, and the region is facing the challenge of moderating the destabilizing impacts. Some aspects of that challenge include: Flexibility and fluidity of regional politics, the rise of China, arms modernization and nuclear proliferation, territorial disputes, rapid economic development and regional peace and security and new challenges to peace and security. She identifies the following responses in the region: Security arrangements, dialogue mechanisms, codes of conduct, confidence building and preventive diplomacy, expanding regional cooperation and track-two diplomacy. Finally she advises a cautious approach to the questions, including the future shape and direction that China will take in its capacity as a regional power of great import and in its relations with its neighbours in the region.

Thus, the post-Cold War world is still unable to find a new stable world order. This collection attempts to present some ideas to solve the problems we face as we approach the twenty-first century. The Global Seminar '96 was attended by more than 90 students from 26 universities and graduate schools. We greatly appreciate their active participation in the discussions.

We would like to express our sincere gratitude to the other lecturers and members of the Organizing Committee, who also acted as chairpersons and discussion leaders. Special tribute goes to Professors Tatsuro Kunugi (International Christian University), Hisako Shimura (Tsuda College), Kazuo Okuda (International University of Japan), Takeo Uchida (Chuo University), Kenji Takita (Chuo University), Ken'ichiro Hirano (University of Tokyo) and Nobuhiko Suto (Tokai University) for their contributions.

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Globalization, the New Regionalism and East Asia

Björn Hettne

The New Regionalism: A Conceptual and Theoretical Framework

Over the last decade the issue of regionalism has once again "been brought back in", albeit in a different form compared to the debate on regional integration some three decades ago. Thus, I shall argue that we are dealing with a "new" regionalism. I shall also argue that this regionalism can be seen as a response to the process of globalization and the social eruptions associated with this process. The second part of the paper applies the framework to the case of East Asia.¹

Globalism versus Regionalism

Globalism can be defined as programmatic globalization, the vision of a borderless world. I see globalization as a qualitatively new phenomenon. If globalization implies a tendency towards a global social system, its origins may be traced far back in history, but one could also argue that the process reached a new stage in the post-Second World War era. The subjective sense of geographical distance is dramatically changed, some even speak of "the end of geography". Also in ecological terms the world is experienced as one. Economic interdependence was made possible by the political stability of the American world order, which lasted from the end of the Second World War until the late '60s or early '70s. Basically, globalization indicates a qualitative deepening of the internationalization process, strengthening the functional and weakening the territorial dimension of development.

Globalism thus implies the growth of a world market, increasingly penetrating and dominating the "national" economies, which in the process are bound to lose some of their "nationness". This means dominance of the world market over structures of local production, as well as the increasing prevalence of Western-type consumerism. From this, there may emerge a political will to halt or to reverse the process of globalization, in order to safeguard some degree of territorial control and cultural diversity. One way of achieving such a change could be through the New Regionalism.

The two processes of globalization and regionalization are articulated within the same larger process of global structural transformation, the outcome of which depends on a dialectical rather than linear development. It can therefore not be readily extrapolated or easily foreseen. But rather it expresses the relative strength of contending social forces involved in the two processes. They deeply affect the stability of the Westphalian state system; and therefore they at the same time contribute to both disorder and, possibly, a future world order.

There is an intricate relationship between regionalization and globalization. Compared to "regionalism", with an impressive theoretical tradition behind it, "globalism" is a more recent concept in social science. Whether its consequences are seen as catastrophic or as the ultimate unification of the world, the concept of globalization is often used in a rather loose and ideological sense.

However, there are also many definitions of the new regionalism, and, just as is the case with globalization, some are enthusiastic, some more alarmist. For the critics, the regionalist trend constitutes a threat to the multilateral system. For the enthusiasts, on the other hand, the new regionalism could form the basis for an improved multilateral system. The basic problem with globalization is its selectiveness. Exclusion is inherent in the process, and the benefits are evenly balanced by misery, conflict and violence. The negative effects are incompatible with the survival of civil society, and thus in the longer run a threat to all humanity.

The New Face of Regionalism

What do I mean by the new regionalism? The new regionalism differs from the "old" regionalism in a number of ways, and I want to emphasize the following five contrasts:

1. Whereas the old regionalism was formed in a bipolar Cold War context, the new is taking shape in a multipolar world order. The new regionalism and multipolarity are, in fact, two sides of the same coin. The decline of US hegemony and the breakdown of the Communist subsystem created a room-for-manoevre, in which the new regionalism could develop. It would never have been compatible with the Cold War system, since the "quasi-regions" of that system tended to reproduce bipolarity within themselves. This old pattern of hegemonic regionalism was of course most evident in Europe before 1989, but at the height of the Cold War discernible in all world regions. There are still remnants of it here in East Asia.
2. Whereas the old regionalism was created "from above" (often through superpower intervention), the new is a more spontaneous process from within the regions, where the constituent states now experience the need for cooperation in order to tackle new global challenges. Regionalism is thus one way of coping with global transformation, since most states lack the capacity and the means to manage such a task on the "national" level.
3. Whereas the old regionalism was inward oriented and protectionist in economic terms, the new is often described as "open", and thus compatible with an interdependent world economy. However, the idea of a certain degree of preferential treatment of countries within the region is implied in the idea of open regionalism. How this somewhat contradictory balance between the principle of multilateralism and the more particularistic regionalist concerns shall be maintained remains somewhat unclear. I would myself rather stress the ambiguity between "opened" and "closed" regionalism.
4. Whereas the old regionalism was specific with regard to its objectives (some organizations being security oriented, others economically oriented), the new is a more comprehensive, multidimensional process. This process includes not only trade and economic development, but also environment, social policy and security, just to mention some imperatives pushing countries and communities towards cooperation within new types of regionalist frameworks.
5. Whereas the old regionalism was concerned only with relations between nation states, the new forms part of a global structural transformation in which non-state actors (many

different types of institutions, organizations and movements) are also active and operating at several levels of the global system.

In sum, the new regionalism includes economic, political, social and cultural aspects, and goes far beyond free trade. Rather, the political ambition of establishing regional coherence and regional identity seems to be of primary importance. The new regionalism is linked to globalization and can therefore not be understood merely from the point of view of the single region. Rather it should be defined as a world order concept, since any particular process of regionalization in any part of the world has systemic repercussions on other regions, thus shaping the way in which the new world order is being organized. The new global power structure will thus be defined by the world regions, but regions of different types.

Core and Periphery

A rough distinction can be made between three structurally different types of regions: core regions, peripheral regions and, between them, intermediate regions. How do they differ from each other?

- The core regions are politically stable and economically dynamic. They organize for the sake of being better able to control the rest of the world, the world outside their own region.
- The intermediate regions are closely linked to the core regions. They will be incorporated as soon as they conform to the criterion of "core-ness", that is, economic development and political stability.
- The peripheral regions, in contrast, are politically turbulent and economically stagnant. Consequently they must organize in order to arrest a process of marginalization. Their regional arrangements are at the same time fragile and ineffective. Their overall situation makes "security regionalism" and "developmental regionalism" more important than the creation of free trade regimes. They are necessarily more introverted.

The core regions are those regions which are politically capable, no matter whether such capability is expressed in the form of a political organization or not. So far only one of the three core regions, namely Europe, aspires to build such an organization. The other two, that is North America and East Asia, are both economically strong, but so far they lack a regional political order.

Structurally close to core are the intermediate regions, all in preparation for being incorporated in the core, the speed depending on their good, "core-like", behaviour. They are:

- Central Europe, obediently waiting first in line for membership in the European Union,
- Latin America and the Caribbean, in the process of becoming "North Americanized",
- China, South-East Asia and the "European Pacific", or Oceania (Australia, New Zealand), all now being drawn by Japanese capital into the East Asia economic space.

Remaining in the periphery are thus the following five regions:

- the post-Soviet area, the major parts of it now in the process of being reintegrated in the form of Commonwealth of Independent States (perhaps laying the ground for a future core region),
- the Balkans, where the countries have lost whatever little tradition of cooperation they once might have been involved in,
- the Middle East, a region defined from outside and with a most unsettled regional structure,
- South Asia, with a very low level of "regionness", because of the "cold war" (sometimes getting hot) between the two major powers, India and Pakistan, and finally, Africa, where in many countries the political structures called "states" are falling apart.

Levels of Regionness

Thus, the peripheral regions are "peripheral" because they are stagnant, turbulent and war prone. The only way for these regions to become less peripheral is to become more regionalized, i.e. to increase their levels of "regionness". Otherwise, their only power resource would rest in their capacity to create problems for the core regions ("chaos power"), and thereby inviting some sort of external engagement. What shall we then understand by "regionness"? It means that a region can be a region *more or less*. There are five degrees of "regionness":

1. Region as a geographical unit, delimited by more or less natural physical barriers and marked by ecological characteristics: "Europe from the Atlantic to the Urals", "Africa south of the Sahara" or "the Indian subcontinent". This first level can be referred to as a "proto-region", or a "pre-regional zone", since there is no organized society. In order to further regionalize, this particular territory must, necessarily, be inhabited by human beings, maintaining some kind of relationship. This brings us to the social dimension.
2. Region as social system implies trans-local relations between human groups. These relations constitute a security complex, in which the constituent units, as far as their own security is concerned, are dependent on each other, as well as the overall stability of the regional system. Thus the social relations may very well be hostile. The region, just like the international system of which it forms a part, can therefore be described as anarchic. The classic case of such a regional order is 19th century Europe. At this low level of organization, a balance of power or some kind of "concert", is the sole security guarantee. This is a rather primitive security mechanism. We could therefore talk of a "primitive" region.
3. Region as organized cooperation in any of the cultural, economic, political or military fields. In this case, region is defined by the list of countries which are the formal members of the regional organization in question. In the absence of some kind of organized cooperation, the concept of regionalism does not make much sense. This more organized region could be called the "formal" region. It should be possible to relate the "formal region" (defined by organizational membership) to the "real region" (which has to be defined in terms of potentialities and through less precise criteria) in order to assess the relevance and future potential of a particular regional organization.
4. Region as civil society takes shape when the organizational framework facilitates and promotes social communication and convergence of values throughout the region. Of course

the pre-existence of a shared cultural tradition in a particular region is of crucial importance here, but culture is not only a given but continuously created and recreated. However, the defining element here is the multidimensional and voluntary quality of regional cooperation and the societal characteristics indicating an emerging "regional anarchic society", that is something more than anarchy, but less than society.

5. Region as acting subject with a distinct identity, actor capability, legitimacy and structure of decision-making. Crucial areas for regional intervention are conflict resolution (between and particularly within former "states") and creation of welfare (in terms of social security and regional balance). This process is similar to state formation and nation building, and the ultimate outcome could be a "region-state", which in terms of scope can be compared to the classical empires, but in terms of political order constitutes a voluntary evolution of a group of formerly sovereign national, political units into a supranational security community, where sovereignty is pooled for the best of all.

The five levels may express a certain evolutionary logic, but the idea is not to suggest a stage theory but to provide a framework for comparative analysis. Since regionalism is a political project it may, just like a nation-state project, fail. This, similarly, means peripheralization and decreasing regionness for the region concerned. Changes in terms of regionness thus imply changes of the structural position in the centre-periphery order.

The Dynamics of Regionalization

The degree of "regionness" of particular areas can increase or decrease depending on regional dynamics, in which global as well as national/local forces of course have an impact. Regionalization affects and is affected by many levels of the world system: the system as a whole, the level of interregional relations, and the internal structure of the single region. It is not possible to state which of these levels comes first or which is the more important, since changes on the various levels interact. There are also different dimensions of the process relating to each other.

Regional integration was traditionally seen as a harmonization of trade policies leading to deeper economic integration, with political integration as a possible future result. The concept "new regionalism" refers to a transformation of a particular region from relative heterogeneity to increased homogeneity with regard to a number of dimensions, the most important being culture, security, economic policies and political regimes. The convergence along these four dimensions may be a natural process or politically steered or, most likely, a mixture of the two. A certain level of "sameness" is a necessary but not sufficient condition.

- Culture takes a long time to change. Of importance here is rather the inherently shared culture which usually is transnational, since national borders in many cases are artificial divisions of a larger cultural area.
- A transformation of the security regime (from security complex towards security community) is perhaps the most crucial factor.
- Changes in political regimes today typically mean democratization.
- Changes in economic policies nowadays normally go in the direction of economic openness.

The dynamics of regionalization thus constitute the interaction between these dimensions and can, furthermore, be found at different levels of world society:

- On the global level, the changing structure of the world system provides room-for-manoeuvre for the regional actors, at the same time as the process of regionalization in itself constitutes a structural change towards multipolarity.
- On the level of interregional relations the behaviour of one region affects the behaviour of others. European regionalism is, for instance, the trigger of global regionalization, at least in two different ways: one positive (in promoting regionalism by providing a model) the other negative (in provoking regionalism by constituting a protectionist threat).
- The regions themselves constitute arenas for sometimes competing, sometimes converging "national interests". If the overall trend within a particular geographical area is convergence of interests, we can speak of an emerging regional actor.
- The actual process of regionalization is triggered by events on the sub-national level as well. One example is the "black hole" syndrome or the disintegration of nation states due to ethno-national mobilization. A less violent form of national disintegration is the emergence of economic micro-regions as the geopolitical environment creates a more direct access to the macro economy for dynamic sub-national regions.

Although the region is slowly becoming an actor in its own terms, the nation states typically still conceive it as an arena where so-called "national interests" could be promoted, and these interests are, of course, differently conceived by different social groups in society. Whereas certain groups may find it rewarding to move into the supranational space, others cling to the national space where they have their vested interests to protect. Regionalization thus creates its own counterforces.

The Crucial Role of State Behaviour

Regionalization does not come about unless the states in a particular region want it. It may come about through a more or less spontaneous or unintended convergence in terms of political regime, economic policy or security, but often one can identify a triggering political event which sets the process in motion. Naturally, this political event is related to the main players in the region, the policy makers, in contradistinction to policy takers, the smaller players. In order to understand the regionalization in various areas of the world, it is thus wise to observe the behaviour of the policy makers.

We can divide the policy makers into two categories, those whose influence goes beyond a particular region, the world powers, and those whose influence is confined to a particular region, the regional powers.

- World powers may not be able to achieve hegemony on the world level, which, since the range of their influence is undefined and varying, means that there will be a certain competition among them.
- The regional powers may be hegemonic in their own regions (which implies a general acceptance or at least tolerance of their leadership throughout the region) or simply

dominant (which means that they are looked upon with suspicion and fear among the minor players).

The policy takers can be further subdivided into:

- those who are supportive of the regionalization process (sometimes the smaller players are the main proponents), the "*supporters*",
- those who try to find their own path or, rather, several paths (since they would be welcome into more than one regional organization), "*the multi-trackers*",
- and those who are left in the cold (since they are seen as liabilities rather than assets), "*the isolated*".

In some cases regionalism grows from extended bilateral relations, for instance in the Americas, where both Nafta and Mercosur resulted from a situation where third parties (Canada and Uruguay) became anxious not to be left in the cold. The regional powers (in these cases the USA and Brazil) usually prefer bilateralism to regionalism. This is also the case in South Asia, where the small players softly imposed regionalism on the regional power. India was always more in favour of bilateralism. The same behaviour seems to be repeated by China in East Asia.

The change from bilateralism to regionalism is thus one crucial indicator of increasing regionness of a region, but as here defined, increasing regionness can also result from overlapping bilateral agreements within a region, since such agreements imply policy convergences in various fields. It is therefore important to take the point of departure in the geographical area as such, and not from the formal regional agreements.

The Impact of Regionalization

The final issue I want to discuss here concerns the consequences of regionalization in terms of security and development. What are, first, the security problems to which regionalization may provide a solution? They can be summarized in the metaphor of "black holes", or what in UN terminology is referred to as "failed states". National disintegration seems to reinforce the process of regionalization via threats to regional security, provoking some kind of reaction on the regional level. It may even form part of the process of regionalization, since the enlargement of political space provides opportunities for different sub-national and micro-regional forces, previously locked into state structures, to reassert themselves.

The collapse of political authority at one level of society tends to open up a previously latent power struggle at lower levels, and in a complex multi-ethnic polity the process of disintegration may go on almost indefinitely. However, sooner or later there must be some reorganization of social power and political authority on a higher level of societal organization, most probably the region.

This is likely to be preceded by some form of external intervention with the purpose of reversing the disintegration process. Again the region may play a role, but there are also other, and so far more important, actors. A distinction can be made between five different modes of external intervention: unilateral, bilateral, pluri-lateral, regional and multilateral.

- The unilateral can either be carried out by a concerned neighbour trying to avoid a wave of refugees or by a regional/superpower having strategic interests in the region.
- In the bilateral case there is some kind of (more or less voluntary) agreement between the intervener and the country in which the intervention is made.
- The pluri-lateral variety can be an ad hoc group of countries or some more permanent form of alliance.
- The regional intervention is carried out by a regional organization and thus has a territorial orientation.
- The multilateral, finally, normally means a UN-led or at least UN-sanctioned operation.

These distinctions are not very clear-cut, and in real world situations several actors at different levels may be involved, the number increasing with the complexity of the conflict itself. However, it is my belief that future external interventions will be a combination of regional and multilateral operations, but with an increasingly important role for the former. The record of regional intervention in domestic conflicts and regional conflict resolution is a recent one and therefore the empirical basis for making an assessment is weak. However, in almost all world regions there have been attempts at conflict resolution with a more or less significant element of regional intervention, often in combination with multilateralism (UN involvement). Perhaps the future world order can be characterized as regional multilateralism?

Secondly, the new regionalism may provide solutions to development problems, which in fact can be seen as a form of conflict prevention, since many of the internal conflicts are rooted in development problems of different kinds. Under the old regionalism, free trade arrangements reproduced centre-periphery tensions within the regions, which made regional organizations either disintegrate or fall into slumber. Let me propose the following seven arguments in favour of a more comprehensive development regionalism:

- Although the question of size of national territory might be of lesser importance in a highly interdependent world, regional cooperation is nevertheless imperative, particularly in the case of micro states, which either have to cooperate to solve common problems or become client states of the "core countries" (the "sufficient size" argument);
- Self-reliance, rarely viable on the national level, may yet be a feasible development strategy at the regional, if defined as coordination of production, improvement of infrastructure and making use of complementarities (the "viable economy" argument);
- Economic policies may remain more stable and consistent if underpinned by regional arrangements which cannot be broken by a participant country without provoking some kind of sanctions from the others (the "credibility" argument);
- Collective bargaining on the level of the region could improve the economic position of marginalized countries in the world system, or protect the structural position and market access of emerging export countries (the "effective articulation" argument);
- Regionalism can reinforce societal viability by including social security issues and an element of redistribution (by regional funds or specialized banks) in the regionalist project (the "social stability" argument);
- Ecological and political borders rarely coincide. Few serious environmental problems can be solved within the framework of the nation state. Some problems are bilateral, some are

global, quite a few are regional, the latter often related to water: coastal waters, rivers and groundwater. The fact that regional management programmes exist and persist, in spite of nationalist rivalries, shows the imperative need for environmental cooperation (the "resource management" argument);

- Regional conflict resolution, if successful and durable, eliminates distorted investment patterns, since the "security fund" (military expenditures) can be tapped for more productive use (the "peace dividend" argument).

In sum, development regionalism contains the traditional arguments for regional cooperation such as territorial size and economies of scale, but, more significantly, add some which are expressing new concerns and uncertainties in the current transformation of the world order and world economy.

During the Cold War a common argument (the "common security" approach) against nuclear armament was that the destructive capacity of the military establishments was excessive and therefore irrational, and that whatever reduction of the level of armament that could be negotiated might be used for civil (development) purposes. Some regions, such as East Asia and Europe (and within these regions Japan and West Germany in particular) were seen as "free riders" of the security order since they could devote more resources to investment and economic growth.

In the post-Cold War order these regions have been encouraged to take a larger responsibility for their own security. At the same time the removal of the Cold War "overlay" permitted latent conflicts to re-emerge, giving rise to costly (conventional) armaments races. The security situations differ from region to region, with vacuum problems in East Asia and Europe, eruptions of older conflicts in South Asia and the Middle East, breakdowns of political order leading to "tribal ism" in Africa and the Balkans. The only region experiencing relative peace is Latin America, which now may be said to have a comparative advantage in peace and political stability. The peace in East Asia seems less stable, but in view of the high degree of economic independence, the states have a high stake in regional security. Here the circle is closed: regional cooperation for development reduces the level of conflict and the peace dividend facilitates further development cooperation. This positive circle can also be turned into a vicious circle, where conflict and underdevelopment feed on each other. Security and development form one integrated complex, at the same time as they constitute two fundamental imperatives for regional cooperation and increasing regionness. The levels of regionness between regions in the process of being formed will continue to be uneven. Only the future will decide where these levels will be, and where the balance between regionalization and globalization will be struck. However, political will and political action will certainly play their part in breaking the vicious circle of regional conflict, insecurity and underdevelopment.

Regionalism in "the Pacific Age"

Asia-Pacific is becoming the new centre of global capitalism. It can also be seen as an emerging trade bloc under the leadership of Japan, its distinctness depending on the relative degrees of cooperation and conflict among competing capitalisms: North America, Europe and Asia-Pacific. It contains several potential regional formations, the shapes of which, due to unresolved security

dilemmas, are still uncertain. It is thus not so easy to tell what is intraregional and interregional in the case of Asia-Pacific. So far the three regions within the Asia-Pacific area show a low degree of regionness. East Asia lacks any kind of formal regionalist framework. South-East Asia earlier contained two regional formations: the now more or less post-Communist Indo-China and the previously anti-Communist ASEAN grouping. The political rationales for these formations have thus completely changed, much like in Europe, and there are new possible alignments. The "European Pacific" (Australia and New Zealand) may turn Euro-Asian, but they may also be seen as regional great powers in a fourth "region" of Pacific micro states: the South Pacific. In the sections below we first describe the historical heterogeneity of the Pacific region, secondly experiences of regional conflict and conflict resolution, and thirdly integrative forces that nevertheless exist.

Pacific Regions and Regional Identity

In the first section of this chapter an argument was made that regionalization is a worldwide process forming a part of global transformation. A crucial issue is thus what regional formations can be found in this particular geographical area, and what, if any, shared cultural basis there is to form a regional identity. The Asia-Pacific area, which in itself hardly constitutes a region except in a purely geographical sense, contains three more distinct regional formations: East Asia, South-East Asia and Australia/New Zealand, which, although physically distant from Europe, have cultural European origins. Under the impact of successive immigrations this heritage is becoming less distinct and economically the region is becoming part of Asia. Sixty-five per cent of Asia-Pacific trade is now intraregional (compared to 62% in the EC). Also the embryonic security network (ASEAN Regional Forum) is extended throughout the Asia-Pacific area. The Pacific also includes the South Pacific islands of Polynesia, Melanesia and Micronesia, and reaches parts of the USA and Latin America. Although not seen as "Asian" (being far away from the Asian continent), the South Pacific is also becoming part of the East Asian economic space. Thus regionalism can be discussed in terms of maximalist and minimalist regionalist options (Öjendal 1996a).

East Asia is the most dynamic of the world regions, containing a hegemonic contender (Japan), an enormous "domestic" market (China), three NICs (South Korea, Taiwan and Hong Kong) and a socialist autarky (North Korea), in the midst of major changes which may fundamentally alter the pattern of cooperation within the region. A reunification of Korea, a democratization of China and a more independent Japanese role would release an enormous potential. These changes are admittedly not imminent, but on the other hand quite feasible. At present the East Asian region is a region largely in the geographical, economic and perhaps cultural (Confucian-Buddhist) sense of the concept, while a regional security order is missing. Previous experiences of "regionalism" have been rather imperialistic. The degree of "regionness" is thus low in spite of the fact that unplanned economic integration is now taking place due to the dominance of the yen. Regional integration thus takes place without much formal institutionalization (Palmer 1991, p. 5). The end of the Cold War opened up new possibilities for inter-subregional contacts, widening the potential regional cooperation. The Confucian model provides a dominant pattern of social and political organization, which now frequently is hailed as a cultural alternative to Westernization (Herald Tribune, 13 July 1992). Many countries are facing internal basic policy options which will have a crucial impact on further regionalization and future regional configurations.

Perhaps the most complex issue in the region is the future role of Japan. Will it remain number two in Pax Americana or take a more independent global or regional role? The latter, and perhaps more likely option, would imply the accumulation of military strength and a break with the introverted Japanese world view. It also implies reversing the process of "de-Asianization" begun in the 19th century. The former course presupposes that the US itself does not turn to isolationism, which would create great confusion as far as Japan is concerned (Tamamoto 1990). References to "global partnership" cannot hide the fact that the old security order is defunct, due to the disappearance of the main threat, against which the order was built, and the emergence of new threats which may necessitate new approaches. There is, as yet, no national consensus in Japan regarding her proper role in the world. The erosion of the hegemonic position of the Liberal Democratic Party (LDP) implies that different options will be more politically articulated and possibly that future lines of action will be based on a changing pattern of political alliances. The pressure on Japan from outside also increases, due to the regionalist and protectionist trend in the world economy.

Japan, not a great practitioner of but increasingly dependent on free trade, has so far been rather negative or at least neutral to the idea of regionalism. It would, if regionalization were to be the main trend, appear as a regional power in more than one sense, which is bound to create suspicions throughout the region. Some countries have the Greater East Asian Co-prosperity Sphere in vivid memory, and even today the Japanese attitude towards Asia is not free from arrogance. As in the case of Germany in the EC/EU, a comprehensive regional framework would help protect Japan against itself, an Asianized Japan rather than a Japanized Asia. Japan has, however, a rather weak identity as an Asian power, and the prospect of "re-Asianization" does not seem to be very popular. At the moment, Japan has "a regional policy for Asia but not a policy of regionalism" (*FEER*, 18 June 1992). The latter would necessitate that Japan acted more like a powerful nation state, less like an international trading firm (Pyle 1993).

Much will of course depend on the future behaviour of China in the region. China will continue the long road towards a more open economy in spite of the temporary isolation which followed in the wake of the Tiananmen Square incident. China's self-reliance-oriented economy built in the Cold War context is in need of transformation, which (as in the case of Viet Nam) implies a change in the domestic balance of power away from Beijing and towards the south, where foreign investments flow. Guangdong Province is forging links with Hong Kong, Fujian with Taiwan, Japan invests primarily in the Shanghai area, and South Korea in Shandong Province. China as a centralized empire is probably doomed, but its eventual dissolution could hopefully be less turbulent than the dissolution of the Soviet empire proved to be.

Regional Conflict Management

Asia-Pacific is a Cold War era *par préférence*. This means that previous conflicts have had a strong element of external superpower intervention in accordance with the Cold War pattern. This situation is now changing quite dramatically, and more traditional rivalries are resurging, more similar to a 19th century Europe-type situation. The larger Asia-Pacific "region" (or rather geographical area) was most affected by the Cold War, and the recent lifting of the superpower overlay therefore has created a kind of vacuum and a great uncertainty in the security field. Several powers (great powers and middle powers) have more or less open regional ambitions,

which must be related to turbulent and highly unpredictable domestic situations in the countries concerned. Regarding the China-Japan relation, Barry Buzan has made an interesting comparison with the role of restless Germany, now played by China, in 19th century Europe, whereas the British role as the global power fully satisfied with the status quo is played by Japan (Buzan 1996). The avoidance of a replay of this drama is obviously necessary for regional peace. Korean unification is another key to real regional cooperation. Considering the economic superiority of South Korea and the political lag in North Korea, such a reunion may take different forms: war, a spontaneous process of the German type (an "*Anschluss*") or a more organized path through preparatory negotiations. Regional conflict management is thus an important step towards further regionalization. At the same time the overall regional framework for conflict resolution is weak, hardly existing in East Asia, and so far confined to one of the two subregions in South-East Asia.

Stable peace in the larger region would change the basic parameters for the way ASEAN operates at present. As the superpowers pull out, old rivalries are emerging, at the same time as the objective preconditions for a cooperation encompassing the whole region in the longer run are improving. This trend will be reinforced by great power ambitions in the larger Asia-Pacific area, where South-East Asia is sandwiched between East Asian (China, Japan) and South Asian (India) regional powers. There is a strong feeling of encirclement and external penetration in the South-East Asian region, coexisting with a tradition of reliance on external security support. Somehow this contradiction must be overcome.

The Cambodian conflict has been of major concern for the ASEAN countries, and has been compared to a "Bosnia" in the region (*FEER*, 27 May 1993). The history goes much further back, actually to the Viet Nam war. The ultra-leftist Khmer Rouge regime pursued an extreme autarkic line which included the physical elimination of urban ("cosmopolitan") elements. The first intervention was of the unilateral (neighbourly) kind. The Vietnamese intervention led to a sharp polarization both at the regional and the global level. In 1991, when the Soviet veto had disappeared from international decision-making, an agreement in the Security Council (permanent five) on the "framework for a comprehensive settlement of the Cambodia conflict" was reached and the United Nations Transitional Authority in Cambodia (UNTAC) was created. This, the largest UN operation so far, was the beginning of the peace process and included a democratic election. The non-participation of the Khmer Rouge in the elections fueled the fears that the guerrillas planned a division of the country. However, their political strength was much less than generally expected. They had become "rebels without a cause" (Theyer 1995). The turnout of the voters, on the other hand, was much larger than expected and was a triumph for the UN. The operation gave an opportunity for Japan to participate in a large international operation, probably indicating a more far-going security interest in the region. For Cambodia several question marks remain, above all the question of how the Khmer Rouge may rejoin the national community and on what conditions. Only when this problem has found a solution, is it possible to talk about real conflict resolution. So far this is rather a case of multilateral conflict management with a strong regional component. Cambodia has strongly declared its intention to become a member of ASEAN, and this co-optation (which can be compared to the inclusion of Greece, Spain and Portugal in the EEC) is also seen by the regional organization as a stabilizing measure. Whether this implies the survival of democracy (particularly of the kind imposed by the UN) remains to be seen (Öjendal 1996b).

Towards Regional Cohesion?

East Asia and South-East Asia are, due to economic linkages, becoming hard to separate from each other, and will be even more converging in the future, as countries such as Malaysia and Thailand (apart from Singapore, which is already known as an NIC) are more or less successfully trying to apply the NIC strategy. Thus, the Asian core of the Pacific rim, east and south-east, will probably follow its own economic course.

South-East Asia, like Europe, has been divided in two economic and political blocs: ASEAN (Indonesia, Thailand, Singapore, Malaysia, the Philippines and Brunei) which has existed since 1967, and the "Indochinese" area (Viet Nam, Kampuchea and Laos). The latter subregion has been under Communist rule, with Viet Nam exercising subregional hegemony. This role is now played down at the same time as market-oriented economic policies (*doimoi*) are implemented. Viet Nam, and behind it the Soviet Union, was earlier seen as a threat by the ASEAN countries. This threat was a crucial factor behind the relative cohesiveness of the organization in the Cold War era. The source of common cause and identity was thus partly an external threat, and there were few incentives for economic cooperation. Only recently (January 1993) a free trade agreement, AFTA, within the 330-million-people ASEAN region was agreed to be realized within a fifteen-year period. The planned tariff slopes of the different countries differ according to starting point and speed, which complicates the competitive situation in the intraregional trade of the constituent countries. The more protectionist countries will probably use AFTA to dump into more open economies. Many therefore doubt that this free trade zone will be realized. ASEAN countries are direct competitors in many areas and it will take a long time for them to develop into complementary economies. From the very beginning ASEAN was a political, rather than economic, organization (Yamakage 1990), and now the political preconditions have changed.

In fact there are strong inter-state, as well as intra-state, tensions in the two subregions. The latter can be exemplified by ethnic tensions (Malaysia, the Philippines) and the former by old territorial disputes (Indonesia vs. Malaysia), as well as contrasting views on regional security (Singapore vs. Indonesia and Malaysia). As in Europe, the dismantling of the Cold War system will change the pattern of conflict rather than eliminate the conflicts. We can therefore expect more relaxation between the two subregions, but more conflicts within them. Possibly the ASEAN framework is now strong enough to deal with them. The recent ASEAN meeting in Manila, for instance, addressed the tension over the Spratly Islands in the South China Sea, which triggered a wider ASEAN interest to discuss a future security arrangement "in the post-Cambodia era" (*The Nation*, Bangkok, 23 July 1992). Ad hoc consultations may no longer be sufficient (Leifer 1992).

The countries in ASEAN could be described as capitalist in economic terms and conservative in political terms, although, for instance, Singapore and Indonesia differ significantly in their economic policies. The organization assumed importance as a regional organization only after 1975, when there were increasing political uncertainties in the region. The economic integration that has taken place so far is rather modest, and the figure for intraregional trade is only about 20 per cent. The external dependence on Japan is felt to be problematic.

The national economies are outward oriented, and the political systems are formally democratic or semi-democratic but in practice more or less authoritarian. The Confucian model has a strong impact on this region as well, so authoritarianism in fact constitutes the homogenizing political factor. The ASEAN countries are in various phases on an NIC-type development path. Problems in the international market usually reinforce domestic authoritarianism due to the strong two-way causal relationship between economic growth and political stability. Economic growth and redistribution are a pre-condition for ethnic peace, political stability a precondition for the economic confidence expressed by international capital towards the region.

Australia and New Zealand, although geographically distant from Europe, have European, and particularly British, origins. Under the impact of successive immigrations, the European heritage is becoming less distinctive. Economically, they are becoming part of Asia and dependent on Japan. Australia's exports to Britain have fallen from 32% (in 1950) to a mere 3% today. Sixty per cent of exports now go to Asia. The leaders are, consequently, promoting a republican Australia less attached to Britain and more involved in Asia, but this involvement obviously has its limits. The term "open regionalism" is often used for regional trade arrangements that do not hurt third parties. The ASEAN countries are still not convinced about the good will of the two European Asians, and as an editorial in *The New Straits Times* puts it "first it must prove that it is proud to be part of Asia" (quoted from EPW, 24 April 1993). Australia is publicly criticizing the regionalist project of creating an East Asian Economic Caucus (EAEC), which is a proposition from the South-East Asian region, while backing the much looser Asia Pacific Economic Cooperation (APEC). Politically they are thus still not quite part of the region, and there has also been a discussion on Australia joining NAFTA (*Bangkok Post*, 12 Sept. 1992). The Australian attitude to Europe is becoming increasingly negative. Similarly, New Zealand is one of the major victims of European agricultural protectionism.

In 1990 the Malaysian prime minister Mahathir (in frustration over drawn-out GATT negotiations) urged Japan to act as a leader of an East Asian Economic Grouping (EAEG), which would create an East Asian and South-East Asian superbloc with a Sino-Japanese core. EAEG (it has since been modestly renamed the East Asia Economic Caucus - EAEC) would be a sort of response to the European and North American "fortresses". The EAEC proposal is slowly gaining support among other ASEAN countries, whereas the East Asian countries, particularly Japan and South Korea, have taken a more sceptical attitude. So have the USA and the World Bank. According to a World Bank report (*Sustaining Rapid Development*) East Asia can strengthen regional integration through trade liberalization and promotion of foreign direct investment within the framework of the multilateral trading system. "A trading block would more likely foster an inward orientation, impairing the world wide search for market opportunities that has served East Asia so well" (quoted from the *Bangkok Post*, 15 April 1993, p. 25).

A more comprehensive alternative is thus the 15-member-strong forum for Asia Pacific Economic Cooperation (APEC), which was set up in 1989 with regional and interregional trade expansion as its main goal. Similar to the "Atlantic project" in Europe, it is a trans-regional network providing a bridge for the USA in the area, and therefore supported by US-oriented regimes and opposed by spokesmen for a genuinely Asian regionalism. From the US point of view APEC, like NAFTA in the Americas, is a continuation of its strategy of bilateralism. Again

we meet the two distinct understandings of regionalism: (1) a way of managing multilateralism and (2) a challenge to multilateralism. So far, the first conception predominates in Asia-Pacific. The idea of any kind of more introverted regionalism is thus very controversial in a region extremely dependent on unhindered world trade, and the debate is carried out merely in terms of an "insurance policy" (*FEER*, 25 July 1991).

Conclusion

In order to test the argument that there is a worldwide process of regionalization taking the shape of a new regionalism, it might have been simpler to choose another example than Asia-Pacific. East Asian regionalism is often described as *de facto* regionalism, whereas regionalization is supposed to take place *de jure* in Europe and North America. This contrast may be due to differences in political culture, but an alternative explanation could lie in the fact that the inter-state relations in East Asia are rather tense and unsettled (albeit not openly hostile). Thus a growing maturity of the regional security complex may lead to a more formal regionalism, just as the normalization of the relations among the countries in South-East Asia has been accompanied by a more formal and predictable regional arrangement than presently seems to be possible in East Asia. This having been said, it is obvious that on other levels than the inter-state level, there has been an impressive process of regionalization. The future of the region is either very black - in case the potential conflicts are translated into war - or very bright - if the degree of interdependence proves to be a point of convergence of interests where every state gets a stake in stable peace. In some of the South-East Asian states this condition must apply also to various domestic groups, a condition which makes the optimistic scenario somewhat unrealistic. Quite a few states may, due to domestic problems, have fewer resources to devote to regional cooperation in the future. The two giants China and Japan face different problems but the problems as such cannot be easily dismissed. China is an old empire becoming a modern region-state, but the level of regionness is far from sufficient to maintain a central legitimate authority throughout the region (i. e. the previous empire). In the case of Japan there is also a lack of clear perception of regional policy, not because of isolation but too much dependence on one of the former superpowers. Thus there is not only a lack of formal regionalism (which is less serious), but a lack of policy makers with region-wide authority, i.e. hegemony. In spite of that there are many reasons, particularly in the areas of development and conflict management, to believe that the global process of regionalization will have a deep impact also on East Asia and South-East Asia in the future. The NICs are facing changes in those objective conditions which originally made them into NICs. Their strategy in the 1990s will probably be betting on the domestic market, preferably a regional market. The regional framework is still, however, in a flux.

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Global or Regional: What Can International Organizations Do?

Bruce Russett

To consider the relative advantages of regional versus global organizations one must begin with clarity about why it is that particular international organizations are created. Some organizations are essentially single purpose, others have multiple purposes. Among the purposes, or functions, for which international organizations are designed are (1) to secure peace among their members; (2) to provide for external security vis-à-vis other states; (3) to carry out a variety of economic-related tasks, such as development, managing or promoting interdependence; (4) to address problems of environmental protection; or (5) securing human rights. These purposes are of course carried out by a wide range of international organizations, including international non-governmental organizations (INGOs) as well as intergovernmental organizations (IGOs). In this paper, however, it will be enough of a task to address just the potential of IGOs.

The European Regional Experience

I begin the discussion with the example of the European Union, or rather the set of organizations that formed predecessors of the contemporary EU and of the various organizations that currently constitute the EU system. It can serve to illustrate all of the above-mentioned purposes. It is especially worth noting that the origins of the EU lie in a history of warfare. As a regional organization, it arose after centuries of violent conflict among neighbouring states. Indeed, as with individuals, most conflicts among states occur between states which are close together. By virtue of their closeness they have what has been termed both the opportunity to fight and the willingness, or reasons, to fight.¹ They have the opportunity because it is relatively easy even for a militarily weak state to mobilize its armed forces on its borders and to use those forces against a contiguous or other nearby state. It may not have the "global reach" of an imperial power or superpower, but can exert force against its neighbours. Similarly, states within the same region have issues about which they can readily come into conflict. The most obvious concern territorial borders, often including irredentist claims and cross-national ethnic conflicts. Pairs of such states frequently carry on what have been termed long-term rivalries.²

Certainly, Europe was cursed by regional conflict and long-term rivalries. Three times in 75 years it had been the site of massive wars, of which the last two left the protagonists exhausted and, especially in 1945, their economies devastated. Given that experience, the leaders of the major West European states determined to build a new kind of international order to prevent war among themselves. Thus the predecessor institutions of the European Union were devoted first of all to promoting peace among their members. The statesmen who designed and put into place these institutions - Jean Monnet and Robert Schuman, Alcide de Gasperi, Konrad Adenauer - worked especially to that end, vowing that war among their states, though once common, would be made unthinkable by linking their economies so tightly that no rational leader could possibly see any gain accruing from war with any other member state. They began with the European

Coal and Steel Community, then EURATOM for the nuclear industry, and then combining these into the European Community and ultimately the EU.

But peace among its members was only one of the security functions of the nascent EU. It was also intended to provide a measure of external security relative to the world's two great superpowers. While allying solidly with the West against the Communist threat on the continent of Europe, the Western European states did not wish to live under excessive United States domination. Militarily weak as individual countries, they hoped to pool their economic and demographic resources sufficiently to have some degree of flexibility and independence in their foreign policies.

Thirdly, they hoped to restore their war-shattered economies. They were acutely aware of the strains which the great depression and trade disputes had put on their economies during the inter-war period, contributing to the outbreak of World War II. Moreover, they understood that their national economies were now too small, individually, to benefit properly from economies of scale. Thus economic integration was intended to promote greater prosperity than previously achieved, both for its own sake and as a contribution to securing the peace.

And finally, the new European institutions were to enhance and solidify political and social rights, especially those associated with democratic governance. Germany and Italy had become aggressors once their democratic regimes were overthrown, and other states' democratic institutions, such as those of France, were gravely endangered. So the new European order was to preserve and defend democracy, again both for its own sake and from a conviction that stable democratic states would be less likely to fight one another.

The IGOs of Europe have multiplied and strengthened over the past 50 years, broadening both their scope and their membership to extend far beyond the original six members of the Coal and Steel Community. Their evolution has perhaps been least impressive in the area of external security, since Europe still has neither a common military force nor a common foreign policy. Nonetheless, even here there has been some coordination, with the formation of at least a French-German brigade, some movement toward common military command, and (rather muddled) efforts to produce a common policy in the Balkans. They have done much better in securing a lasting and stable peace among their members, and in promoting economic growth and interdependence. That interdependence has in turn impelled substantial cooperation and institutional formation to deal with health and environmental protection. The preservation of human rights has become a major function, embodied for example in the Council of Europe and the European Court of Justice, where states can be brought to the bar for human rights violations. Adoption of a democratic form of government has in fact become a prerequisite to joining and remaining within the EU; the hope of achieving EU membership has proved a powerful force to encourage democratization and human rights in Eastern Europe.

At the Global Level: The Three UNs

Global organizations, whether organized on a functional basis to include states from various regions but on a less-than-universal basis (for example, the Commonwealth of Nations or the Organization for Economic Co-operation and Development) or quasi-universal organizations like

the UN, address one or more of these same four basic purposes. The United Nations, in its various programmes and agencies, which themselves often constitute separate IGOs, is devoted to all those purposes. In analysing the UN with this in mind I sometimes refer to "the three UNs" of security against violence, economic security, and security of human rights. Such a distinction is not meant to be applied as a rigid taxonomy of institutions, but simply as a way to appreciate how the institutions and their purposes can conveniently be clustered.

The first UN, that of security against violence, is perhaps the most obvious, at least to those of us in the developed world. It is epitomized by the Security Council, alone among UN organs authorized to use military force against Member States and able to require all Member States to cooperate, as for example in the enforcement of economic sanctions against an aggressor. Since virtually all states of the world are members of the UN, the function of external security is now essentially moot, but that of providing peace among members of the organization certainly is not. The function of collective security against a state deemed an aggressor has been exercised most recently and powerfully against Iraq. Yet with the end of the Cold War and the breakdown of many states which previously seemed stable, in recent years most Security Council-authorized operations have taken place in the context of civil wars largely internal to states. Such a development was not anticipated by the organization's founders. In this new role the UN, and its Member States, are still searching for the most appropriate means and principles of action.

The UN of security against violence, however, is not limited to the Security Council. As examples, consider the Secretary-General and the International Court of Justice. The Secretary-General has the capability of mediating or offering his good offices to resolve conflicts, as Javier Pérez de Cuéllar did effectively in the late stages of the Iran-Iraq war. And the International Court, while often usually lacking compulsory jurisdiction, has successfully adjudicated several dangerous disputes, including the Chad-Libya border conflict that had previously produced repeated bloody clashes. When states wish to use the ICJ for such purposes, it is there.

The second UN, that of economic security, is embodied, for example, in the Bretton Woods institutions of the World Bank, the IMF, and GATT (now the World Trade Organization), and also the UN Development Programme. Some of these institutions were initially devoted primarily to rebuilding economies devastated by World War II, but quickly turned to problems of development in the poor countries as well. They have been concerned to promote and stabilize economic interdependence, and to reduce poverty and stimulate economic development. They have taken on a special role in stabilizing economies in Eastern Europe, and in promoting market reforms both there and in many developing countries as they moved away from statist organizing principles. As such, these global institutions have underpinned economic interdependence and have become major instruments for the spread of free markets. Many other UN-related organizations have made other contributions to economic development and the alleviation of poverty. The World Health Organization and UNICEF, for example, deserve the credit for the global eradication of smallpox. UN agencies also have taken on important roles in worldwide environmental protection.

The alleviation of poverty is itself directed to some of the basic human rights embodied in the Universal Declaration of Human Rights and its subsequent Conventions. Other basic human rights - political, social and cultural - have been furthered by other UN institutions. These include

the Human Rights Commission, and the very demanding and effective work of the UN High Commissioner for Refugees. With the economically oriented institutions, they have often played major parts in the rebuilding of societies shattered by civil war or wars of liberation. An agency frequently overlooked is the Electoral Assistance Unit of the UN Secretariat. It has supervised, monitored and otherwise assisted the holding of free elections in more than 60 countries, aiding transitions following the collapse of authoritarian regimes and civil wars. Examples include Cambodia, El Salvador, Haiti, Nicaragua, Ethiopia, Mozambique and Namibia. In this way, the UN has become an instrument of democratization - an unthinkable development prior to the end of the Cold War.

As with the EU, the activities of the "three UNs" have been undertaken for their own sake; for example, the alleviation of poverty is a goal in itself. But, also like the vision of the founders of the EU, these various purposes also have synergisms. Not only is peace sought directly by those organs of the UN overtly devoted to security from violence, but, in his *Agenda for Peace* and *Agenda for Development*³ Secretary-General Boutros Boutros-Ghali declared his belief that development and human rights were essential for stable peace. More generally, it is more than plausible that, conversely, peace facilitates and encourages economic development and the securing of human rights. In effect, a set of virtuous circles operates, with each of these causal arrows reinforcing the others. Nor is this vision limited to Boutros Boutros-Ghali and some of his contemporaries. It was clearly evident in the thought of many of the founders of the UN, in the United Kingdom and the United States, when they devised its institutions in 1945. For all their "realist" concerns with power politics and the institutions of collective security, these founders also found room for the liberal institutionalist vision of the broader underpinnings of a peaceful order that would in many instances make direct resort to the collective security operations unnecessary and virtually irrelevant.⁴

Why IGOs?

Before proceeding further with some thoughts on the relative capability and suitability of regional or global institutions, it is worth pausing to be clearer about why IGOs come to exist at all. To do so one can usefully begin with the economists' concept of collective goods, or public goods. Collective goods are those goods, or benefits, that no individual person or state can acquire for itself. They are goods which, to be achieved at all or at least to an optimal degree, must be provided by collective action. They must be provided cooperatively, with some provision for minimizing "free-riding" by those who would like to enjoy the benefits without paying for them. Within states, the provision of collective goods is, writ large, the primary purpose of government. Public health can reliably be secured only by regulation or other collective action (as for compulsory vaccination, or the provision of safe water). Environmental protection also often requires collective action and regulation, since the effects of pollution may extend far beyond its source and, in the absence of public policy, polluters may lack sufficient incentive to change their practices. In the absence of regulation, subsidy or effective taxation, the temptation for everyone to try to free-ride is likely to lead to widespread violation of restraints. Public order and defence against attack similarly require collective action, and the assessment and collection of taxes to ensure that everyone pays what is deemed a fair share of the cost.

The problem is not fundamentally different at the international level. Control of infectious disease across borders, regulation of civil aviation safety standards and global control of environmental pollutants, each in its way, are collective goods and furthered the existence of IGOs. Even security against violence is in effect a collective good, particularly in a regime that privileges the independence of many weak but sovereign states. Some means for providing the instruments of collective security, and paying for them, are required. In the absence of an all-powerful hegemon, willing as well as able to provide the collective goods by itself, individual states cannot unaided do the job at a satisfactory level. What, precisely, can IGOs do? They can carry on at least six kinds of action, as can many other types of institutions. A few are limited to just one function, most take on many or even all six. I begin at the coercive end of the spectrum, and end with the "soft" power of shaping identities:

1. Most obviously, they can enforce the community norms, if necessary coercing the norm-breakers. In some circumstances the coercion is overt and violent, as when the Security Council authorizes military action or the application of economic sanctions. Furthermore, the Security Council is empowered to carry out the action, to collect "taxes" (peacekeeping assessments) from Member States, and to require all Member States to observe the regime of economic sanctions it may apply. But any taxation or rule enforcement, when the instruments of state coercion are in the background rather than the foreground, remains a form of coercion.
2. IGOs may mediate between conflicting parties, or otherwise serve as facilitating rather than coercive agents for conflict resolution. Here too, but more rarely, IGOs are used as instruments of arbitration and adjudication, sometimes taking on certain coercive powers of enforcement.
3. IGOs, like all institutions, serve as channels for conveying information about member's actions, needs, preferences and perceptions. No collective action of much import is possible without a substantial institutional network for conveying such information, and reducing uncertainty.
4. Institutions frequently expand their members' views of their material self-interest by making it more inclusive and longer term. For example, institutions devoted to increasing economic interdependence make one state's economic prosperity largely dependent on that of the other states which serve as its markets or its sources of important goods and services. My self-interest depends on serving yours also, and in the long term not just the short.
5. IGOs help shape norms which influence the behaviour of states and individuals. Among these norms, that of sovereignty is most obvious, given the organizing principle of state membership in IGOs. The UN has greatly enhanced the norm of sovereignty by granting membership to states deemed to be in control of their territory regardless of how small or weak that state may be. The norm of the right of a state to be recognized as a sovereign entity was promoted powerfully during the era of the demise of colonialism, and the UN was a major actor in that process. More recently, the right of a sovereign state to continue in existence formed the basis for much rationale supporting the resistance to Iraq's attempted seizure of Kuwait. Recently, the Bretton Woods institutions have widely promoted norms of free markets in states making the transition from controlled economies. The idea that there are basic international human rights, across cultures and borders, is largely accepted in general, despite frequent claims of exceptions in application. Despite these claims for exceptions, principles of democracy, of women's rights and a right not to be tortured have,

among many others, been effectively promoted by UN conferences and human rights agencies.⁵ At some time in their history, the great majority of states practised torture rather routinely. Although many states continue to inflict torture on their citizens, its legitimacy is lost and governments may ultimately be held criminally responsible.

6. Finally, IGOs can generate the narratives of mutual identification across states and cultures. Principles of a global interest and global citizenship are part of the UN's message, presented powerfully in visual images as well as words. Regional organizations do some of the same, as with the EU's promotion of European citizenship and the creation of a European passport. Overall, global organizations as well as regional ones may be judged to have a decent record in many of these others, though not nearly as good as many of us might hope.

The Regional Basis for Action

When addressing the case for regional action, it helps to begin with an understanding of the term region. What is a region? In practice it is a very loosely defined term, often used in an ad hoc fashion. It is typically defined with some geographical reference, often to a continent or part of a continent. But such geographic references may be very imprecise, and laden with economic, cultural or political distinctions. Whereas a decade or so ago people readily spoke of Eastern Europe or Western Europe as distinct entities, it is now much more common to refer implicitly or explicitly to the cultural and other unities of a single Europe. Some people, to identify (still quite imperfectly) the area of industrial states refer to the North Atlantic area, or to a Europe from Vladivostok to Ireland. Mexico is physically located on the continent generally referred to as North America, but when Mexicans speak of norteamericanos they do not mean themselves. Is Taiwan a part of East Asia, or not? It depends on the circumstances and purposes of those who use the term. Physical, political, economic and cultural definitions of regions rarely delineate the same boundaries.⁶

Furthermore, all regions are hardly equal in their potential for institutional formation and success. Not only do they vary in their homogeneity by the above criteria, they vary immensely in the resources they can bring to bear on the problems of their member states. The potential of African institutions is sharply limited by the small size and general poverty of that continent's states. Economic development in Africa requires vast external resources; the peacekeeping potential of the OAU is limited by the military forces available to its members. By most assessments, the European model of regional organization has been the most successful. Europe is the locus of an extremely dense network of IGOs. Many European states share membership in over 100 IGOs with their neighbours. Many of those IGOs are global or functional and not limited to the region, but many are region specific. It is probably also true that Europe is now the most homogeneous region by various prominent criteria: by economic development and integration, culture and democratic state political institutions. It is hard to separate chicken and egg with regard to institutions and homogeneity in Europe. Partly the institutions took root because of existing homogeneity, but indubitably that homogeneity has in turn been enhanced by the institutions.

Latin America is the region with the second most dense network of institutions. Others, such as Africa, all of Asia, or parts of Asia, are less rich with institutions and probably more diverse. Asia overall exhibits much diversity, whether along dimensions of development, political system

or even culture. It is arguably nearly as diverse as the globe itself. Allegations about an "Asian way" of governing, or of development, obscure many differences and exaggerate the likelihood of substantial agreement on regional IGOs' policies.

Diversity may make the success of regional organizations problematic. The European model cannot necessarily be exported as appropriate to other regions. In many circumstances it will be essential to create regional institutions in the face of issues that give an opportunity to produce collective goods or threaten to produce major collective bads, like pollution. But the regional "solution" is not privileged just because it is regional.

States also must be concerned about the dangers of regional hegemony. Sometimes a regional hegemon can make institutions work by being willing to pay the lion's share of the costs to supply a collective good. In the absence of strong institutions able to collect taxes from all members, this contribution of a big state can be important. For example, the success of NATO is sometimes credited to the American willingness to devote a higher share of its GNP to military expenditures than most of its allies would do. Even some coercive pressure by a hegemon, requiring others to pay what is judged a fair share, may actually be welcome. Yet the dangers of a big power becoming a less-than-benevolent hegemon are not trivial. Other states may therefore be unwilling to form IGOs that include a potential hegemon; rather they may form their own IGOs that deliberately exclude a potentially hegemonic state, perhaps trying to create a balance against the hegemon. (There is something to this with ASEAN, which has formed without any of the very large states - China, India and Japan). In other circumstances - for instance, Europe with Germany - they may deliberately include the hegemon in an effort to tie it down and integrate its behaviour with the common interest. Citizens of the potential hegemon may actually understand such motives as in their interest too. Germans accept this.

Contextual Answers

The need to establish international organizations is often evident, and strong. Some of the problems that IGOs are created to manage must be addressed at both regional and global levels. In many cases there should be no a priori preference for regional over global efforts, or vice versa. Some issues can best be handled at the regional level, among states that are heavily involved in overlapping interests. Others can best, or even only, be managed on a global basis. Among these are some trade issues, some security issues, and such global environmental issues as warming and greenhouse gases. The choice between regional and global organization needs to be made in each case, contextually, informed by theory and empirical evidence, and sensitive to local conditions and needs. It is important to focus attention not on the general question of regionalism vs. globalism, but on what needs to be done, as identified in the four purposes listed at the outset of this chapter.

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North-East Asia in the Global and Regional Context: Security Options for the Next Century

Chung-Si Ahn

The World at the Close of the 20th Century

The world today is at a turning point.¹ The changes that we are undergoing are global in scope, and in content revolutionary, fundamental and structural. North-East Asia is also in a period of a great political and economic transformation. Amidst these changes, peoples and societies of the region are facing new sources of hope, challenges and uncertainties. The nature of change in the world and Asia can be summed up as optimism and uncertainty.

Optimistic Trends

A half-century's Cold War is over. Reduced war potential among major powers has increased the prospect for global peace and regional stability. Trade and economic issues are gaining increasing importance in international relations. The communication and information revolutions now under way are turning the world into a truly "global village". In addition, an era of competitive coexistence between capitalism and socialism as the two alternative social systems has ended with victory for the market system. This (marketization) will facilitate a single, comprehensive, global economic system (that is, the Uruguay Round and World Trade Organization system) to emerge. These positive changes together with other negative global problems, such as deteriorating environments, pollution, and draining natural resources and so forth, foster and at times force international cooperation.

The state system is also under pressure for more democracy. As nations achieve higher economic development, societies become increasingly pluralistic and complex. Growing business sectors tend to proliferate, civic organizations as well. The net effect of economic development, urbanization, social pluralism, structural complexity and the proliferation of civic sectors will result in the growth of the middle class, and a simultaneous maturing of civil society. This will in turn push the states and their leaders to abandon authoritarian control and adopt measures to conform to the rules and principles of democratic governance. Thus, the world appears to be moving towards an era of global cooperation and integration. As we enter the 21st century, a sense of optimism prevails in Asia and elsewhere. Are the nations of North-East Asia ready to help this trend take firm root?

Uncertainties

As we near the end of the 20th century, there still remain obstacles and uncertainties that pose challenges for us to overcome. A few of them are highlighted below.

The first and foremost of the uncertainties lying ahead stems from the very nature of the transition, that is moving from one mode of world order to another. The past models and conventional paradigms that used to rule the world order have become obsolete. And there exists no alternative to enable us to predict the coming world. Neither is there a clear indication at the moment that there will soon appear an alternative ideology and model of development to solve global problems. In other words, the post-capitalist world is uncertain.

A half-century long confrontation of the two competing systems - capitalism vs. socialism - has ended with capitalism winning the competition for the time being. But the end of the socialist system did not automatically resolve "the crisis of capitalism". With the advent of the Uruguay Round and the WTO system, the world is said to be moving towards a market system, and a borderless world economy. However, while the rise of economism tends to find a market solution for every problem, it is uncertain whether the market is capable of transcending national differences. Although global economic cooperation is a dominant future trend, forces of economic nationalism, protectionist policies and fragmentation of markets are also on the rise. Consequently, gaps among the advanced, developing and underdeveloped countries in wealth, technology and communication are not likely to be narrowed soon. Conflicts attendant to this will keep the world from moving smoothly towards an integrated social and economic order.

Indeed, capitalism did not succeed in protecting society from the corruption and collaboration of power, and from abuse of the market by some businesses and multinational corporations. Some would even suggest that the breakdown of the Communist regimes attests to a clear victory of market capitalism over planned socialism. History, however, offers a contrasting explanation. Only the economic system - be it capitalism or socialism - that helps democracy and human rights to thrive can survive the test of history and civilization. Market and planned economies which propelled democracy prospered, but ones that rejected democracy were doomed to fail. The question then is: Can the world economy, with its turning to marketization on a global scale, save the future of democracy?

Finally, there is also uncertainty whether the current state system can effectively deal with growing global problems. Nations today are too small and weak to solve the "big problems". The world and national issues which individual states have to face are growing ever larger and more complex, while the power and resources of states to solve them have become weaker and smaller. Simply stated, states have too much to do, but too little power and resources to do them. Authoritarianism and militaristic rule that remain as a dominant mode of governance in some Asian states further complicate the problem. We also see that political separatism, division and fragmentation are not likely to disappear soon, as seen in the aftermath of the dissolved former USSR and Yugoslavia.

In short, conflicting trends continue to coexist in the post-Cold War world. Conflicting forces operating simultaneously include: globalism vs. nationalism, integration vs. fragmentation,

globalization vs. national stratification and democracy vs. authoritarian tendencies. How these conflicting trends will shape the world in the next century is still largely unknown, and uncertain. This challenge calls for a new regional and global leadership. Herein lies the need for prescriptive analysis and normative action strategy. The analysis and normative propositions expounded below are a step towards this goal in the context of security in North-East Asia.

North-East Asia: Two Scenarios of the Future

In Asia and the wider Pacific region, a new cycle in political thinking is on the rise. The region in general continues to move towards a period of relative peace and stability in the post-Cold War era. Bilateral relations between countries that were distant for so long have greatly improved in recent years. Simultaneously, an awareness of the need for multilateralism in economic, security and cultural cooperation has gained renewed strength among the major countries in the region. However, these positive signs of development may be misleading. Although the region as a whole has moved towards deepening economic interdependence, the structure of security relations in the post-Cold War era is fraught with uncertainty. While the need for a new security order is widely recognized, a more durable security order has not yet emerged. In particular, North-East Asia remains a dangerous place.

North-East Asia² has been one of the primary arenas of international conflict and competition over the past century. The region has been subjected to a recurring pattern of major power rivalries and military interventions, colonialism and revolutionary nationalism, and international as well as civil conflicts. However, unprecedented economic growth in recent decades enabled the region to achieve enhanced social well-being and political stability. Economic prosperity also helped major regional powers to improve their bilateral relations with every country in East and South-East Asia, perhaps with the exception of North Korea. Furthermore, the post-Cold War international environment fostered positive incentives for cooperative international behaviour. In consequence, direct military conflict between the major powers in North-East Asia has now become a remote possibility for the first time in this century.

As we approach the next century, the critical question is whether the states and peoples of North-East Asia can create a dependable political and security structure which will bring more enduring peace, increase cooperation and deepen trust commensurate with their economic success. Or, will North-East Asia remain a region of "warring states" with incessant crises and periodic wars?

³ Perspectives on the region's future differ between adherents of varying models of power and international relations. The optimists are usually guided by the "liberalist" model,⁴ while sceptics tend to project the future primarily in terms of political "realism". Optimist arguments focus on the pacifying effects of growing trade and economic interdependence, slow but steady movement toward democracy and the trend towards the proliferation of multilateral organizations and institutions.

On the other hand, the realists tend to refute the validity of the liberalist faith and, instead, argue that peace is possible when state powers are balanced or when one effectively dominates the others. Sudden hegemonic shifts or changes in the power balance will cause, according to this school, a loss of credibility, and disequilibrium, and may lead to war among states. Similarly, the realist sceptics fear that rapid economic and political changes taking place in post-Cold War

North-East Asia will bring about changes in the power constellation, leading to uncertainty. This uncertainty in turn increases the chances of misperception, miscalculation and conflict. The realists also argue that the emerging multipolar system in the region is destabilizing. With the United States' role as a core, preponderant power player diminishing, it will be difficult for the major powers in North-East Asia to maintain a stable equilibrium in the long run.

In the pages that follow, I will lay out the tenets of the contending arguments so that an effective action strategy can be mapped to bring about a "preferred" order in North-East Asia. I will first outline a set of positive developments in the region following the logic of the liberal-optimist model of international interdependence. I will then examine the uncertainty factors, focusing mainly on the realist mode of analysis.⁵

Interdependence, Democratization and Multilateralism

Economic pre-eminence of the Asia-Pacific region is the cornerstone of the optimism in the future of Asia in general and North-East Asia in particular. The 15 members of the Asia Pacific Economic Cooperation (APEC) encompass more than 2 billion people, occupy 46 per cent of world trade, and account for more than 60 per cent of the total world production of goods and services. APEC's combined GNP amounts to \$12 trillion and more than 25 per cent of global foreign direct investment flows. The region "saves more than the rest of the world", and is endowed with a "rich diversity in natural resources, wage levels, skills and technology".⁶ Furthermore, the World Bank estimates that half of the world's 10 largest economies will come from East Asia by the year 2020. Intra-regional trade and investment will continue to expand steadily. For the first time since the Industrial Revolution, the centre of the world economy is moving towards the Asia-Pacific region and away from Europe. With the well-publicized economic miracle in East Asia⁷ - Japan, South Korea, Taiwan, Hong Kong and China as well as the USA - the North-East Asian region is being recognized as the centre of gravity for global trade and investment.

The first and most obvious consequence of rapidly growing economies in the region is the intensifying economic interdependence and "increasingly dense web of intra-Asian economic ties". As Friedberg has noted⁸, liberals predict that "flows of trade and investment among Asian states not only make all parties better off, they also tend to create incentives for continued cooperation and to dampen whatever tendencies there might otherwise be toward hostility and conflict". Today's advanced communication and transportation technology increases the potential return of cooperation, while multiplying the cost of war. In other words, liberal optimists believe, as did their forebears of the 18th and 19th century, that dynamic economic growth in the region promotes peace by fostering more trade and interdependence.⁹ As Asia's economic dynamism draws global attention, a renewed sense of international partnership, according to the liberalists, is replacing the patron-client relationship between Asia and the rest of the world. The formation of APEC was a step towards making the "Pacific Century" a reality. APEC, founded in 1989 in Canberra by 12 Asia-Pacific countries, now has 15 member countries. The APEC summit in Seattle in November 1993 was, in the eyes of the United States, a symbol of Asia's transformation from "troublesome security clients to a mature partner with the US in co-prosperity".¹⁰ APEC is neither a security forum, nor directly involved in the peacemaking role. But it is widely believed that it will in the future play a constructive role in deterring future threat

to Pacific Rim prosperity, and significantly contribute to the reduction of security tensions that will inevitably be generated by the rapidly changing political and economic terrain of post-Cold War North-East Asia, such as the rise of China with its military preponderance, and possible collapse of North Korea and its absorption by South Korea (at great expense), as well as the reduction/withdrawal of US troops from Korea and Japan, and so on. In essence, the optimists tend to believe in the pacifying effects of the region's growing economic dynamism and intensifying interdependence.

The liberalists also believe that Asia's economic success will be accompanied by brighter democratic prospects. Economic dynamism is gradually being matched by political pluralism, which may lead to greater individual freedoms, more political democracy and human rights. Economic growth contributes to the growth and maturity of social groups such as the middle class, intellectuals, business and professional people. As they rise in income and social standing, there will be demands and pressures for more rights and more freedom. The triumph of democracy elsewhere in the world inspires the Asian adherents to democracy and human rights.

The decline of undemocratic regimes and the emergence of new, reform-oriented leadership in many Asian countries are certainly encouraging signs to those who believe in the liberalist future. The traditional pattern of ruling party monopoly of power has been broken in South Korea, Japan and Taiwan. The Philippines has crossed the line of no return to its past undemocratic regime. Some Asian powers still lag behind their neighbours in this regard. For example, China's fight for democracy has not progressed since 1989. Russian democracy is in disarray. North Korea - along with Myanmar and Viet Nam in South-East Asia - stubbornly maintains socialist authoritarianism. But elsewhere in Asia - Thailand, Indonesia, Malaysia and Singapore, for example - the pressure for more freedom and participation is evident. Thus, liberal-optimists predict that, sooner or later, the process of democratization in some parts of Asia is likely to spread to other countries in the region.

Democratization is important for the peace and security of Asia and the Pacific, because it is considered "the pivotal lynchpin of prosperity and peace".¹¹ Democracy fosters economic growth and enables an efficient management of the economy, in order to enhance citizen welfare. Democracy has also brought about a safer, more peaceful world and a lower level of violence than non-democracies.¹² We have seen recently, in countries like South Korea, Malaysia, Thailand and Taiwan, that economic development nurtures forces for democratic change. For economies to grow and mature, nations need to reach out and work for more stable and secure international economic-political environments. It is also true that open, democratic societies make better trading partners and more peaceful neighbours. Thus, liberal optimists expect that, as Asian powers achieve democracy, the possibility of building lasting peace will be greater. In the 21st century, therefore, Asians may become as democratic as the Europeans, and enjoy a new economic, social and cultural renaissance.

A new feature of emerging trends which could bring about a "preferred" order in North-East Asia is the trend toward multilateral institutions. With the end of the Cold War, various kinds of multilateral institutions have begun to spring up in Asia. The first of such region-wide intergovernmental institutions is APEC, formed in 1989. Although it is aimed at promoting primarily trade and investment, it has security implications. Along with the rise of economic

multilateralism, movements to institutionalize a multilateral co-operative framework in politics and the area of security have gained renewed vitality.

Multilateral frameworks in political and security cooperation still lag far behind the area of economics. But such a plan has been around for years in the Asia-Pacific region. In 1993, ASEAN formed a regional security forum called the ASEAN Regional Forum (ARF), which is intended to foster cooperation on political and security issues. The Forum's annual meeting includes 18 countries, comprising all the ASEAN members and others such as the United States, China, Russia, Japan and South Korea. In addition, there has been a proliferation of channels for security dialogue which are loosely organized and less formal. Some of them are "distinctively Asian", and many are non-governmental or quasi-official.¹³ Plans for multilateral security cooperation have also been proposed with more limited regional or subregional scope in North-East Asia by such countries as the US, Russia, Australia, Canada, Malaysia and so on. Moreover, in South Korea, Foreign Minister Han Sung-joo said in November 1993 that the time had come for countries in North-East Asia to join together in a multilateral security framework.

The liberalists believe that movement towards multilateral security networks, although slow, will help to build a lasting peace structure. For one, the existence of a multilateral security scheme would make it difficult for countries to attempt any drastic shifts in power and policy. It is also argued that increased participation in multilateral institutions facilitates better communication and, thus, makes it easier for countries to negotiate and cooperate instead of competing and confronting one another. The logic behind this proposition is put forward by Han Sung-joo:

Because the region [North-East Asia] is enjoying relative peace, it is important to ensure that the positive factors that have brought about this peace be preserved by institutionalizing them. Such an institution would enable the main players to make their actions and goals more transparent to one another and so bring down the level of distrust.¹⁴

Will these multilateral political and security networks in post-Cold War Asia, assisted by the trends towards interdependence and democratization, play a similar pacifying role? With this question in mind, we now turn to the major counter-observations on security in North-East Asia offered by the realist sceptics.

Security in North-East Asia: Sceptical Views

Sceptics look at the world largely through the realist school of international politics. Realist analysts are less concerned with the character of regimes making up the international system than the shaping and distribution of power among the major states in the system. Power balancing and strategic equilibrium are the central pillars of the peace and stability of the international system. Hence, realists are less convinced by the liberalist claim that democracies are non-fighting. According to this school, the mode of power distribution among members of the international system determines the pattern of relationships among them. Inequality of power or rapid changes in the equilibrium among major powers are posited to lead to uncertainty, and are inherently worrisome. An emerging multipolar system in post-Cold War North-East Asia is destabilizing, since it makes it difficult for contending powers to maintain the state of equilibrium. High rates of economic growth make nations wealthier, but may also push them to generate more military

power. Fast-rising China is troublesome in this respect, with its potential claim to overthrow the status quo.

Realists also dismiss the alleged "pacifying power of interdependence". For one, realists tend to treat trade, investment and aid as tools for power politics. For another, increased interdependence among unequal partners can lead to friction, especially when one side sees the other party as being unfair, as were the cases of the US-Japan or Korea-Japan relationships. Finally, when one party perceives that its vital security interests are at stake, even rising economic interdependence is not sufficient to keep peace. For instance, expanding economic ties with Taiwan have not dissuaded Beijing from threatening Taiwan with the use of force.

Realists are also sceptical of the peacemaking power of multilateral institutions. They argue that multilateral institutions in Asia have been slow to start off, difficult to develop and not particularly as fast moving as in other regions. The ones already in operation or new ones in the offing are often built on rather shaky foundations - of fear and suspicion and not on confidence and mutual trust. Past records of multilateral efforts, especially in North-East Asia, were also dismal - much "talk", "declaratory statements", "technical proposals", but little tangible results. Compared to Europe and the Atlantic area, institutions and procedures of multilateral cooperation are still underdeveloped. In fact, North-East Asia has been most resistant to new forms of multilateral security cooperation. The region lags far behind South-East Asia in the level of trust and confidence, as seen in the ASEAN structure. It is premature, therefore, to conclude that multilateralism in Asia will conform to the security requirement for peace in North-East Asia. In a region where hostility and mutual suspicion are rooted deeply in history and culture, the emergence of a new, shared sense of security community is an extremely slow and difficult process. The major actors in North-East Asia - the US, China, Russia, Japan and the two Koreas - have all fought each other bitterly in the past. Even having multilateral security dialogues is not sufficient to rule out the possibility of radical changes in the political map of the region. For example, major internal political disruptions in Russia, China or North Korea can result in radical shifts of the region's balance of power and threaten peace and stability. Unresolved historical legacies, asymmetry in power, conflicting national interests such as territorial disputes and national unification are limiting factors in the regional security system. The region also lacks prior habits and experiences of cooperation. Thus, in North-East Asia multilateral institutions are not only underdeveloped, but even those existing are not looked upon as essential for peace and security.

Another source of the region's security concern stems from the legacies of the Cold War and the fragile nature of regime transition in the former socialist countries. Among the potential crises, military conflict in the Korean peninsula looms largest. The days of North Korea's regime are numbered. Yet, it is heavily armed and, under certain circumstances, would opt for confrontation not only with South Korea, but also with those whose assistance it presently solicits. If this happens, none in the region would be immune to the potential blow-outs. Despite its global economic stature, Japan's political and security role in the region and the world remains unsettled. The relationship between China and its immediate neighbours is still troubled by claims to territorial rights on Taiwan and islands in the South China Sea. Moscow's difficult transition to a democracy and market economy continues to be watched. For a long time, therefore, North-East Asia will continue to see the coexistence of democracies, quasi-

democracies, authoritarian and totalitarian regimes, and thus the prospects for peace and order are not assuring.

Peace and security in North-East Asia will continue to be, according to our analysis so far, a mix of reinforced optimism and potentially combustible uncertainty. Given the prevailing uncertainties, many policy makers subscribe to the perspective of realism. As they see it, security relations in North-East Asia are characterized by competition and conflict rather than cooperation and harmony. The process of change and adjustment towards peace, stability and democracy in North-East Asia will be smooth and peaceful. The awareness of interdependence lags behind the reality of cooperation. Multilateral arrangements in security matters still remain as ideas and intentions, with no clear definition of situations and common objectives at hand. Hostility and mutual suspicions still exist among the regional powers. Thus, the prospects of long-term peace in North-East Asia remain uncertain, as there is no guarantee against the expansionist aims of the major powers: "threatening US", "intervening China", "militaristic Japan" and so on. Recalcitrant North Korea may provoke armed conflicts or break the nuclear non-proliferation principle, provoking thereby a nuclear arms race among neighbouring countries. In addition, many Asians are still mired in hopeless poverty. No one can enjoy long-term stability, peace, democracy and prosperity if this poverty persists.

In addition, there are some voices calling for an exclusive regional bloc which would appear to exclude others in the region. Prominent Americans and Japanese insult each other from time to time, ignoring the fact that neither can sustain continued prosperity without the well-being of the other. Some even fear that the US is "scheming to transform the APEC into a trading bloc with discriminatory outside tariffs". Sceptics have also expressed the view that APEC may turn into a "big brother" in a new form, with Asia as an alternative market that the US can dominate should the world trading negotiations collapse. Nevertheless, the reality is that no nation in North-East Asia can prosper in isolation from the others. Instability in one country will create difficulties elsewhere. Thus, the current level of interdependence and relative peace in the region needs to be nurtured to take firmer root. What therefore needs to be done immediately and on a long-term basis? First, the challenge of building an effective regional security order requires, at the minimum, ensuring that no state attempts to dominate the norms and structure of the region's political and security constellation. At the same time, major actors in the region must work together to achieve a more normal and natural order for the region. A precondition for this would be that none of them commits actions detrimental to the stability of the region. These countries must also act together positively to cater to human needs and interests that go beyond the scope of the narrowly defined "national interests", especially in such areas as education, the environment and preservation of natural resources.

Secondly, it is vital that every effort is made to bring North Korea into a harmonious regional order. No nation in North-East Asia will feel safe if North Korea is perceived as a nuclear threat. If Pyongyang does not comply with the inspection requirements of the International Atomic Energy Agency, every country in its proximity will suspect that North Korea has actual possession of nuclear weapons. When the nuclear issue is resolved, Pyongyang can improve its relations with South Korea, and hopefully reach normalization with the US and Japan. Lifting the economic sanctions and providing foreign assistances badly required for its regime's survival and economic development can follow afterwards.

Thirdly, China is undergoing a great historical experiment. By 2020, China and Japan are predicted to become the two largest economies in the world. Politically, China is maintaining socialist authoritarianism, while reforming its economy along the market system. So far the experiment seems to be working, with double-digit annual GDP growth rates in recent years. A non-intervening China, with its success in economic development and political reform, is the central pillar upon which to build a peaceful Asia-Pacific as well as a stable North-East Asia. Will China succeed in its economic reform and political experiment and pursue a policy of good neighbourliness towards the outside world, especially towards its smaller neighbours?

Fourthly, Japan is seeking a new political role, and looking for a new leadership in the region. The LDP's monopoly of power for the whole period since World War II was dramatically broken in 1993, opening the way for a new kind of coalition politics. Despite strong ties with the West, the Japanese people are inclined to identify themselves with Asia. However, history has proven that Japanese Asianism divorced from the outside world would make Japan's relations with other Asians more difficult.¹⁵ In this respect, Japan's foreign policy and its role in Asia are still ill-defined. The question then is what kind of Asia the Japanese see themselves as part of - a broad and inclusive one, or one that is narrow and resentful. The souring of Japan's relations with Europe or the US or both can result in the latter. Will Japan continue to depend on the US security umbrella, or will its political role commensurate with its economic power lead Japan to rearmament and tensed relations with its neighbours?

What Is to Be Done?

How can one help the "optimist" future to be realized? What needs to be done to safeguard our future against the "realist" nightmares, as depicted in George Orwell's 1984 or Huntington's "clash of civilizations"? The logical answer is to reduce uncertainty and make every country act positively for the future of the world and Asia. Effective measures can be sought on multiple levels - global, regional and national; governmental as well as civic domains; by groups or individuals, and so on.

On the global dimension, there is, first, a need to institutionalize regular consultation at summits on global issues. Secondly, the world also needs to foster the emergence of a transformational leadership, a leadership (1) to facilitate the beginning of the new, and end the old way of conducting politics, (2) to change the way people look at and act for the future global village, (3) to pass the test of democratic leadership and build democratic authority, and (4) to bring out the best in their peoples at this crucial turning point of human history. Thirdly, a new system of world education should be introduced in order to inculcate new values for global cooperation and to teach the skills necessary for global problem-solving to the rising generations of leaders and followers. Raising consciousness among intellectuals and decision-makers on the need for global thinking and problem-solving is also required. Nurturing the spirit of community solidarity and fostering active citizenship to build democracy are additional requirements for the future. Finally, the principle of equal participation of small and medium-sized countries is to be respected in the process. On regional security matters, peace and democratic changes in North-East Asia depend crucially upon our ability to make regional powers act positively. The prospect of regional order in North-East Asia hinges on whether the following key issues are managed properly:

1. The United States should not make a precipitate exit from Asia. For the time being, at least, it is desirable that the US continue its presence and play a constructive role in Asia as a balancer and guarantor against the uncertainties discussed earlier.
2. China must not use its growing prosperity as a means for its military advancement, seeking to occupy the military vacuum left by the disengaging US.
3. Japan should be encouraged to play a positive political role commensurate with its economic power. Japan's security interests need to be placed in the larger and more constructive context of the Asia-Pacific region. For this, Japan's economic, political and security relations with the US are a crucial factor.
4. The two Koreas need outside assistance to reunify peacefully and to remain unified without resorting to nuclear options.

In the area of multilateralism, the Asia-Pacific countries should work together to make the APEC framework work. North-East Asian states can do much more to make the region more stable so that investors would gain confidence in a good business environment. They should also strengthen other regional or subregional networks to foster democracy, economic development, peace and human rights in Asia. The scope of the APEC framework can be further enlarged to create a forum for security cooperation by gradual and incremental steps, so that the mechanisms can serve to peacefully settle disputes among regional states and reduce the danger of an arms race.

The Asia-Pacific region and North-East Asia should strive harder, as a community, to upgrade the level of interdependence and to form a "new identity". Economic policies should be kept open, not closed, among the countries in the region. In addition, the region must be open to imports and investments from all over the world. Exclusive trading blocs and "big brotherism" will hinder the growth of open regionalism, thus causing discriminatory barriers against the rest of the world. A precondition for a new Asian or North-East Asian security community is that all members agree to cooperate to promote region-wide interests. For this, we first need to dissolve our "old identities", which have divided us and antagonized one another, and then construct a new and more positive identity that will bind us together.

On a politico-cultural dimension, Asians need to learn how the West won the world leadership. Nations grew, prospered, and effectively led the peoples towards the joy of democratic life, only after their state agencies had encouraged civic vitality. Components of civic vitality are many; political democracy, a free economic system, social and cultural diversity, and so on. But democracy, of which the basic principle is to respect and enhance political freedom and human rights, is the first and foremost ingredient for the rise of the West. Democracy brings economic growth via market forces under human control. Peace is possible when there are democracy and economic prosperity. Peace, in turn, makes democracy and economic prosperity real.

Finally, throughout Asia nowadays, there is an "emerging civil society"¹⁶ and a proliferation of cross-national (and cross-regional) activities being performed by various non-governmental organizations. Paul M. Evans noted in this respect that, unlike Europe, the first and most active proponents of new institutions and processes in North-East Asia have not been governments but rather members of the private and non-governmental sector. Think tanks and academics, not government officials, were the driving forces behind the growth of regional multilateralism in the

late 1980s. Even as the role of governments in these activities expands, the non-governmental role is likely to remain crucial.¹⁷

A maturing civil society and growing NGO activities can be put to work to nurture a new "common identity" in Asia that transcends the narrow, constraining, state-and-nation-bounded values and ideas. It is noteworthy that, with its legitimate institutional role and structure, the UN University is ideally placed to perform a leading role in constructing and shaping a new sense of security community in North-East Asia or, better yet, in building a new "Asia Pacific Gemeinschaft".

Reference

1. This paper was presented at a lecture to the UN University Global Seminar '96 "Shonan Session" on Globalism and Regionalism, which was held in Shonan Village, Kanagawa Prefecture, Japan, 2-6 September 1996. It was revised when the author was a visiting fellow at the Institute of South-East Asian Studies in Singapore in September 1996-January 1997. The author would like to thank the Institute and its staff for providing a stimulating intellectual environment for developing and testing ideas. Portions of this work were printed earlier in Korea in Chung-Si Ahn, "The New World Order and North-East Asia: Options for the Future", Institute of Social Sciences, Seoul National University, *Social Science and Policy Research* 16, no. 3 (December 1994): 45-56.
2. North-East Asia is herein defined to include East Asia (China, Japan, South and North Korea, Hong Kong and Taiwan) plus northern Pacific Rim countries (Russia and the United States). To a lesser extent, it also includes Mongolia and Canada.
3. Aaron Friedberg, "Warring States: Theoretical Models of Asia Pacific Security", *Harvard International Review* (Spring 1996): 12-15, 68. See also, Jonathan D. Pollack, "Pacific Insecurity: Emerging Threats to Stability in East Asia", in the same *Review*: 8-11.
4. The "liberal-optimist" model can broadly include such schools of thought as "interdependence", "institutionalism", and "democratization". See Takashi Inoguchi, "Conclusion: A Peace-and-Security Taxonomy", Takashi Inoguchi and Grant B. Stillman, eds., *North-East Asian Regional Security: The Role of International Institutions* (United Nations University Press, 1997), pp. 181-206.
5. Inoguchi subdivides the realist school into two variant modes of analysis. The "balancing realism" puts premium on the peacemaking effects of power balance and tends to be the popular viewpoint among policy makers and strategic thinkers. The "bandwagoning realism", more often subscribed to among the academic realists, argues that "hegemony is conducive to peace". The logic goes that if a single power achieves hegemony, smaller powers will accommodate their behaviour and act within the rules of the hegemon. *Ibid.*, pp. 184-187.
6. *Far Eastern Economic Review*, 2 June 1994, p. 21.
7. See, for example, *The East Asian Miracle: Economic Growth and Public Policy* (Washington, DC: A World Bank Policy Research Report, the World Bank, 1993).
8. Quoted from his article cited above, p. 13.
9. See also Chung-Si Ahn and Changik Chung, "Economic Growth, Democratization and Peace: Perspectives in the Asia-Pacific Region", Korean Association of Southeast Asian Studies, *The South-East Asian Review* 4 (January 1996): 233-262.

10. Time, 22 November 1993, p. 16.
11. See Ahn and Chung (1996): pp. 246-253, 256.
12. R. J. Rummel, "Libertarianism and International Violence", *Journal of Conflict Resolution*, 27, no. 1 (1983): 21-71; Rummel, "Libertarian Proposition on Violence Within and Between Nations: A Test Against Published Results", *Journal of Conflict Resolution* 29, no. 3 (1985): 419-455; and Bruce Russett, *Grasping the Democratic Peace* (Princeton: Princeton University Press, 1993).
13. According to one account, there were more than 130 multilateral meetings which were related to Asia Pacific security issues in 1995. Paul M. Evans, "Reinventing East Asia: Multilateral Cooperation and Regional Order", *Harvard International Review* (Spring 1996): 18.
14. Far Eastern Economic Review, 11 November 1993, p. 42.
15. See Taichiro Mitani, "The Idea of 'Regionalism': The Case of Modern Japan", (Paper presented at the Kyoto Roundtable of the International Political Association, Kyoto, Japan, 25-27 March 1994).
16. Tadashi Yamamoto, ed., *Emerging Civil Society in the Asia Pacific Community* (Singapore: Institute of Southeast Asian Studies, 1996, revised).
17. Quoted from his article cited above, p. 19.

Peace and Security in the Post-Cold War Asia Pacific Region 42

Carolina G. Hernandez

Introduction

A highly fluid and flexible regional strategic environment in the Asia Pacific region was one of the major consequences of the removal of the Cold War overlay that defined superpower relations and the global strategic environment. Site of the most economically dynamic region in the world, the Asia Pacific faces the challenge of moderating the destabilizing impact of strategic fluidity and flexibility, and forging a new arrangement to ensure that peace and security continue to define the region. Aware that sources of tension and conflict which were allowed to recede into the background during the Cold War are likely to resurface as they have in other parts of the world, regional states have begun to take measures including those some of them previously avoided. Among these measures are the adoption of regional dialogue mechanisms for the management of conflict, whether general or specific, the generation of regional codes of conduct for inter-state behaviour and the expansion and deepening of regional cooperation, including enhanced security cooperation.

There has also been a marked ascendance of economic issues in the regional and bilateral agenda of regional states, leading some to speculate on the likely replacement of geopolitics by geo-economics and a more benign interpretation of inter-state relations. There is the belief that because states have put primacy in domestic economic development, they would be less prone to undertake provocative action that would disrupt peace and security, the very environment that is hospitable to investments and economic development. While exaggerated, the increasing importance attached to economic issues by states in the region cannot be ignored, as well as the apparent preponderant influence economics has played in the foreign policy behaviour of key states in the Asia Pacific.

The recession of military challenges to the security of states has also enabled them to appreciate other sources of security challenges. Scholarly and technical studies linking ecological destruction to sustainable development have driven home the point East Asians have earlier articulated, namely that security is comprehensive. The demand for human resources of economic development have also facilitated population movements across the region and elsewhere to such an extent that it is now recognized as a new security challenge to be addressed. International terrorism, the spread of highly deadly diseases like AIDS, drug trafficking, etc. have joined the ranks of new security issues in the post-Cold War era.

Given this altered regional environment, the question of peace and security gains new significance as the responses for their effective management require instruments other than the use of military force. This paper seeks to analyse (1) the challenges to post-Cold War regional peace and security, (2) how peace and security issues are being responded to by regional states,

and (3) the future prospects of regional peace and security in the Asia Pacific. A special emphasis on ASEAN's efforts and roles in post- Cold War peace and security in the region will be made in recognition of its growing importance in regional affairs.

The Contemporary Challenges to Regional Peace and Security

Security can be conceptualized as comprehensive and multidimensional, whose core goal is the achievement of well-being, whether of the region, the nation state, the society, the community or the individual. It has military, political, economic, socio-psychological, cultural, and ecological dimensions.¹ Cooperation between and among states is necessary in order to bring security about. Peace ensues when the security of relevant actors is attained. For the purpose of this paper, however, while a comprehensive view of security is being adopted, it will only pertain to the level of the nation state and the Asia Pacific region.

While there are numerous challenges to the security of nation states and the Asia Pacific region, because of time constraints and in the interest of brevity, only the most important are included in this discussion.

Flexibility and Fluidity of Regional Politics

The end of superpower competition removed the stabilizing impact of the balance of power that underpinned global and regional security for over four decades. While the Asia Pacific was not the main theatre in superpower competition, the global character of the Cold War, nevertheless, required the creation of a network of bilateral and multilateral military alliances led by the United States in the post-war period. Known as the San Francisco system, this network of alliances enabled an American military presence in various military bases in allied territory, thereby providing the region with a security umbrella. The cornerstone of this alliance system and security umbrella was the US-Japan Security Treaty. China played the role of a balancer after the Sino-Soviet rift in the 1960s. Under this stable strategic environment, rapid economic development took place in Japan, Taiwan, South Korea and Singapore, followed soon after by Thailand, Malaysia and Indonesia.

This environment was fundamentally altered with the end of the Cold War. As the only remaining superpower in the world, the US continued to provide a security umbrella for the region through the San Francisco system of alliances, new access arrangements for its military forces with Indonesia, Malaysia and Singapore, and a much-diminished physical presence due to the end of its basing arrangement with the Philippines and the drawing down of its forces from the Asia Pacific.

Despite a continuing US military presence, however, there is a lack of a settled regional order compared to the period of the Cold War because of the perceived uncertainty of US commitment to the security of the region. Despite various articulation of its security commitment in the form of policy papers such as the one known as the East Asian Strategic Initiative II,² the absence of a known enemy makes the US commitment a doubtful one in the eyes of its Asian allies. This perception is reinforced by the assessment that US power is in relative decline,³ circumscribed by continuing economic problems and the rise of isolationist sentiments at home.

In addition, regional *détentes* that followed *glasnost* and *perestroika* in the 1980s led to a change in the regional strategic environment, leading key states like China and India to restructure their forces. Their goal of military modernization, together with those of small and medium-sized states in the region, has made them parts of an emerging multipolar structure of power in the Asia Pacific, particularly when economic power is thrown into the equation. Military modernization and force restructuring, the probability of nuclear proliferation within the context of the availability of military inventories from the former Soviet Union and other arms merchants, and new wealth in North-East and South-East Asia have combined to raise the prospects for an arms race in the region.⁴

The uncertainty of this emerging regional order is itself a security challenge, not only because of the perceived lack of credibility of the commitment to regional peace and security of the US as the regional and global policeman; there are also states whose foreign policy intentions could be seeking to alter the status quo by initiating sometime in the future actions inimical to regional peace and stability which are beyond the capacity of the smaller states in the region to restrain unilaterally.⁵

The Rise of China

China is rising not only as a military power, which it was even during the Cold War, but also as an economic power. The World Bank estimates that China will become the world's largest economy by 2020. Its large and expanding domestic market has moderated the backlash from international public opinion of its brutal handling of the Tienanmen incident. Uncertainty about its foreign policy intentions combined with its actual and potential military and economic power make it a formidable regional force.⁶ China's military modernization is likely to enhance its military power, especially its power projection capability in the neighbouring waters. Freedom and safety of navigation in the strategic sea lanes of communications (SLOCs) in East Asia is a *conditio sine qua non* for the continuous economic prosperity of regional states whose energy supplies, trade and commerce pass through these international waterways. Whether growing Chinese power will be exercised in the absence of internal and external constraints remains debatable at this point.⁷ In addition, the uncertainty of US commitment to regional security and the absence of a settled regional order make the rise of China a serious challenge to regional security.

Uneven economic development within China and the risks of a derailed economic modernization programme have led its leaders to root political legitimacy in a new Chinese nationalism that transcends generational differences. Part of this new nationalism is its aggressive pursuit of national sovereignty on issues like territorial recovery as core elements of the nationalist agenda. Hence, there is the intensity in Chinese aspiration and action to establish national sovereignty over territories it considers its own and to recover territories detached from it by colonial powers in the past. This is manifested in the uncompromising approach to the particulars of the reversal of Hong Kong from Great Britain in 1997, averting Tibetan and Taiwanese independence even at the risk of the use of force, assertion of sovereignty and control over the disputed territories in the South China Sea, interest for the latter also having to do with the Chinese search for new energy sources, among others.⁸

Internal developments in China provide additional sources of uncertainty about China's future which could have important implications for its foreign policy behaviour.⁹ It remains unclear, for example, to what extent decentralization and the growing power of the People's Liberation Army (PLA) shaped the decision to occupy Mischief Reef in 1994-1995, a reef located within the Philippine-claimed Kalayaan Islands, or the holding of the large military exercises across the Taiwan Straits in March 1996 with clear regional security implications. Hence, instabilities caused by internal political and economic changes are likely to have external implications for the peace and security of the region.

Arms Modernization and Nuclear Proliferation

Another important challenge to regional peace and security is arms modernization and nuclear proliferation. As already noted, the fluidity of the regional strategic environment, the rise of regional states and the availability of arms for sale and cash with which to finance arms modernization have shaped arms acquisition in the past few years. While these arms purchases have markedly increased,¹⁰ they do not yet constitute an arms race. Nevertheless, the challenge for regional states is to avert their evolution into one.

The indefinite extension of the Non-Proliferation Treaty in 1995 is a major achievement in the effort to limit the spread of nuclear weapons. The US-North Korean agreement regarding the development of nuclear energy in North Korea can also help limit nuclear arms proliferation, which could otherwise have been a likely outcome of the North Korean independent quest for nuclear technology. However, the observance of the terms of the NPT, as well as other agreements having to do with nuclear arms development like the Nuclear Test Ban Treaty, needs to be put on a firmer footing. This remains a challenge in the Asia Pacific.

Territorial Disputes

As already noted, both the removal of the Cold War overlay and domestic factors have influenced the re-emergence of territorial disputes in recent years. Among those that have the greatest potential for destabilizing the region are the reunification of China and Taiwan and the South China Sea disputes, although the disputes between South Korea and Japan over the Takeshima (Tokto) islands and that between China and Japan over the Senkaku (Tiao-yu-tai) islands have occasionally created tension in their bilateral relations.

In South-East Asia, especially in ASEAN, disputes over territory have been allowed to recede into the background in order to widen and deepen regional cooperation and promote stability and security. A recent case is the "normalization" of relations between the Philippines and Malaysia by agreeing to set the Sabah dispute aside and not to allow it to stall other areas of cooperation.¹¹ However, this is not the case in North-East Asia. Cross-straits relations in March 1996 threatened to disrupt regional peace and security as Chinese missiles hit targets dangerously close to Taiwan's major ports and population centres. The incident was a chilling reminder to the region that despite Chinese rhetoric about the primacy of economic development and interdependence, when primordial issues like nationalism are involved, economics tends to take the back seat once again. It is also rather notable that despite cross-straits tension, China and Taiwan remained on the same side of their territorial dispute with Japan over the Senkaku

islands. China and Taiwan also remained on the same side of the South China Sea disputes with ASEAN member countries despite their independent diplomacy to move closer to ASEAN.

These disputes are not nearing their resolution, not only because they are embedded in this history of hostile and antagonistic bilateral relations and are therefore highly sensitive, but they also involve nationalism, strategic considerations and the search for critical energy resources for the near and medium terms in the case of other territorial disputes in the region. These make their resolution difficult and challenging.

Rapid Economic Development and Regional Peace and Security

Economic development tends to bring about changes not only in the economy, but also in the society's social, cultural and political values and structures. By their nature changes are unsettling and destabilizing because they alter the status quo. Losers become instant enemies of change while prospective beneficiaries suspend their support until the benefits of change materialize. They cannot be expected to support the reforms enthusiastically and may even actively block them if the conditions would permit it.

Since domestic and external security tends to be borderless, the destabilizing consequences of rapid economic growth in various states in the region are likely to have external implications. Taiwanese democratization was a consequence, among others, of the rise of middle class intellectuals, professionals and new entrepreneurs which economic development made possible. Many of them no longer seek reunification with China, a sentiment Beijing is determined to stifle. While this is clearly a domestic issue to be settled between the two sides of the Taiwan Straits, destabilizing actions such as those undertaken by the PLA in March 1996 to avert the election in Taiwan of a presidential candidate China perceives to be in favour of Taiwanese independence affect the peace and security of the region. The US deployment of two aircraft carrier battle groups to demonstrate its commitment to peaceful settlement of the reunification issue and to regional peace and security illustrates the great likelihood of the internationalization of an issue that is fundamentally domestic but with grave external and regional implications.

Even the internal political ferment taking place in Indonesia following the removal of Megawati Sukanoputri as head of the Democratic Party of Indonesia (PDI) can have regional implications. This ferment is made possible by the changes in Indonesian society brought about by rapid economic development. Should political instability ensue, Indonesia's ability to play a credible and influential regional role could be eroded, especially as it has been able to lead ASEAN through a number of challenges, such as during the Cambodian crisis, and has also assisted in the internal Philippine problem of Muslim secessionism. ASEAN capacity to play a credible regional role in promoting regional peace and security could also suffer a decline.

Economic success has also made Asian leaders assertive and self-confident in dealing with issues like human rights and democracy. Western demand for full human rights implementation and the inclusion of a social clause in international economic agreements and organizations like the General Agreement on Tariffs and Trade (GATT), the Generalized System of Preferences (GSP) and the World Trade Organization (WTO) are opposed by the rapidly growing economies in Asia. They view these demands as attempts on the part of the West, including those in the Asia

Pacific, to undermine their comparative economic advantage in the form of cheap labour costs. These differences have posed some difficulties in their bilateral relations with China, Viet Nam, Malaysia and Indonesia. Because security is viewed as comprehensive in East Asia, the undermining of economic growth is seen as an important security challenge in these countries.

The debate has also distanced Asian countries espousing these so-called "Asian values" from their close political and economic partners in the West and created dysfunctional rhetoric which in the end is counterproductive and masks the true character of the subject under debate as well as the reasons behind the positions taken by Asian and Western leaders on the matter. It has also created foreign policy problems for countries that are in Asia, such as the Philippines, but whose perspectives on the issue are closer to those of the so-called West.¹²

New Challenges to Peace and Security

Finally, new challenges to peace and security surfaced after the end of the Cold War. Sometimes referred to as non-military or non-conventional threats to security or soft security issues, they now compete with other issues in the national and international political agenda for the priority attention of states. Among them are international terrorism,¹³ environmental degradation,¹⁴ the international movement of peoples,¹⁵ highly infectious and life-threatening diseases like AIDS,¹⁶ and drug trafficking.¹⁷ These affect peace and security in all its dimensions and at all levels. They are only beginning to be recognized as real threats to the security of peoples and their various associations, including the nation state and the international community. A few examples are the only ones cited here for illustrative purposes.

International terrorism is the closest thing to the military-related dimension of security. It is a menace to peace and security and it strikes in a stealthy and vicious manner. Its victims are targeted neither as combatants nor as policy makers. They are overwhelmingly innocent of the causes of the terrorists' anger and have no means of effective defence.

Environmental degradation also threatens human lives in the form of the flash flooding of population and production centres, silting of rivers, erosion of the soil, depletion of natural resources and the ozone layer and impairment of the sustainability of development in general and in all its dimensions, including ecological, economic, social and cultural.¹⁸ This is a global problem whose effective solution requires no less than international action and cooperation.

The international movements of peoples also affect the security of both the parent and host states of either labour migrants or political refugees.¹⁹ For example, in the case of labour migrants, if the parent state relies on their earnings for its foreign exchange needs, a drastic change in the labour market could undermine foreign labour remittances as a source of foreign currency that is used for economic development and consumption purposes. Migration also undermines the social and psychological well-being of the family, especially the children who are left with only one or no parent to care for them. Labour migration has also resulted in many broken homes and the collateral damage to children this phenomenon brings. Threats to the physical and emotional well-being of migrant workers, especially women, are well-documented in the continuing saga of the labour diaspora experienced by developing countries. Moreover, the threat of "cultural pollution" has also been raised by host countries, and host country dependence on foreign labour

could undermine their own economic development in the event of a sudden repatriation of imported labour. Finally, friction from problems engendered by labour migration can also undermine the bilateral relations of parent and host states as in the diplomatic rift between the Philippines and Singapore over the celebrated *Flor Contemplacion* case in 1995.

Responses to Peace and Security Challenges in the Asia Pacific

Aware of these challenges to regional peace and security, states have resorted to several means to meet them more effectively over the past few years. Their responses to some of these challenges include the forging and redefinition of military security arrangements, the creation of dialogue mechanisms, the adoption of codes of conduct of inter-state behaviour, preventive diplomacy and confidence-building measures, the expansion of regional cooperation and the rise and increasing utility of track-two diplomacy.

Security Arrangements

The drawing down of the US forces from the Asia Pacific²⁰ and their withdrawal from the Philippine bases in 1992 led to the forging of a number of ports of call, access rights and other defence-related arrangements between the US and a number of countries in ASEAN. Still linked by bilateral mutual defence agreements with the Philippines and Thailand, the US expanded or upgraded its security relationships through various defence-related agreements with Singapore, Brunei, Malaysia and Thailand in an effort not to seriously undermine its capability to sustain a credible military presence in the region. Such a more widely distributed military presence was thought to compensate for the loss of the Philippine bases, an event that was regarded by the Bush administration "as a routine adjustment to the changing strategic environment in the Asia-Pacific" despite earlier warnings of the security implications of the loss of these bases for regional security.²¹

The review and reaffirmation of the US-Japan Security Treaty in April 1996 is a boost to regional security. Despite concerns aired in some quarters about the new arrangement's implications for Japan's future security role,²² it is a recognized fact in the region that this security relationship remains the backbone and core of the region's security as it assures the US commitment to regional security beyond the Cold War. The fact that it took place after the Taiwan Straits crisis of March 1996 and amid the unfortunate Okinawa incident indicates that there is a common recognition that threats to regional security remain a concern of both the US and Japan and that they are prepared to meet them through their bilateral security arrangement. This should help assuage continuing concern in this regard among regional states not able to provide for their security in the face of more powerful regional neighbours with hostile intentions. It also ensures that Japan's security role is not pursued in a unilateral manner.

Another important addition to the effort to meet the uncertainty of the post-Cold War strategic environment is the conclusion of the Australian- Indonesian Security Agreement in 1995. Unprecedented in their bilateral relations, the agreement was apparently wrapped in strict secrecy such that the two countries' foreign ministers were not even aware of it. There is the speculation that it was signed within the context of a rising China whose future role and foreign policy intentions remained unfathomable. This agreement signifies once again the attempt of

states to undertake unprecedented measures for security cooperation due to the uncertainty of the contemporary regional strategic environment.

Dialogue Mechanisms

There has also been a rise in the creation and use of dialogue mechanisms to deal with potential sources of tension and conflict in the region. On the economic front, the increasing relevance of Asia Pacific Economic Cooperation (APEC) as a forum for regional economic cooperation and for averting the rise of tension and conflict over economic issues is widely acknowledged. Its three past heads of state summits have moved economic cooperation forward, with the Osaka Summit marking the beginning of the second stage of APEC, in which the principal task is the advancement of the Seattle vision and the implementation of the Bogor goals of free trade. APEC also serves as a rare venue for China and Taiwan to get together beyond their narrow, though important, cross-straits relations.

On the political and security side, the informal Indonesian-initiated workshop of the South China Sea has provided, since 1990, claimant states with a useful arena for discussing ways by which cooperation and joint scientific and economic activities might be promoted in the area even as they temporarily shelve the contentious issue of ownership. Brokering of the discussions by third parties like Indonesia and Canada can be useful in moderating tension that arises from conflicting territorial claims. This has also enabled the smaller claimant states to meet with China in an informal multilateral setting, an avenue which China has avoided on the formal level. Clearly, concern over China's rising power is paramount in the minds of the workshop participants, in whose neighbourhood any armed conflict arising from the disputes will take place.

On the bilateral level, regional responses to China's rising power have been for the most part accommodating, characterized by one of appeasement out of a lack of inclination or power to antagonize China, and constructive engagement in order to draw it out of its isolation and become part of the emerging regional dialogue processes. China's occupation of Mischief Reef, although met with statements of concern among regional states, including ASEAN, Australia and the US, was a *fait accompli* that can only be reversed with China's agreement. This is a case which shows that talking to China in order to better understand and influence it towards becoming more tractable and neighbourly is an important imperative for the maintenance of regional security.

The creation of the ASEAN Regional Forum (ARF) in 1993 was intended for the purpose of bringing "unlike-minded" states into a process of dialogue already engaging ASEAN and its partners (Australia, Canada, the European Union, Japan, New Zealand, South Korea and the US) since the 1970s. It was a response to the absence of a regional security framework in the post-Cold War era that could provide regional peace and stability. Now the ARF includes both Russia and China, which are also ASEAN dialogue partners as of July 1996, and Viet Nam, which became ASEAN's seventh member in 1995. India is an observer, as are the three South-East Asian states (Cambodia, Laos and Myanmar) in ASEAN. India and Myanmar became new participants in the ARF during its third meeting held in Jakarta in July 1996. While ARF has not solved any political and security issues in its three years of existence, it serves the purpose of signalling to one another concerns regarding peace and security and discussing how these can be

ameliorated. For instance, the concern over the security implications of the South China Sea disputes has been articulated even as China has effectively blocked the ARF from adopting any measure towards the management of the disputes.

Codes of Conduct

Regional states have also adopted and extended existing codes of conduct of inter-state behaviour as a hedge against instability and conflict. The ASEAN Treaty of Amity and Cooperation (TAC) has been acceded to by Viet Nam, Laos, Cambodia and Myanmar. It contains the principles of peace and good neighbourliness which the parties to it are expected to observe. They include pacific settlement of disputes and respect for the national independence and territorial integrity of states.

In addition, the ASEAN Declaration on the South China Sea adopted in Manila in July 1992, which included the TAC principles, became an important guidepost against which state action can be evaluated. It prohibits provocative unilateral action which can create tension and produce conflict in the behaviour of states. ASEAN seeks the extension of these principles through the adoption in the future of a Regional Code of Conduct for the South China Sea covering all ARF members.

In bilateral relations, claimants in the South China Sea, apart from engaging in bilateral negotiations, have also issued joint statements regarding a code of behaviour binding among them. These include those between the Philippines and China, and between the Philippines and Viet Nam, although China expressed reservation not to recognize any bilateral agreement concluded by other claimants without China's participation. China has, however, agreed to discuss the disputes with ASEAN as a group, the first indication from Beijing that it was prepared to modify its long-standing position not to open the issue to multilateral discussions.

ASEAN also approved the creation of South-East Asia as a Nuclear Weapons-Free Zone in 1995 in an effort to reduce the probability of nuclear war. A protocol for the accession of non-ASEAN members is being readied, although there remain problems in accommodating the US interest in its ships and aircraft entering the zone without having to declare whether or not they are equipped with nuclear weapons.

Confidence-Building and Preventive Diplomacy

Within the context of the ARF both confidence-building measures and preventive diplomacy are being promoted as a response to post-Cold War peace and security needs in the region. The publication and exchange of defence white papers, intelligence information sharing, joint military exercises and participation in the UN Register of Conventional Arms are among the confidence-building measures considered by this body. There is also a recognition of the need to move preventive diplomacy forward, in response to the UN Secretary-General's *An Agenda for Peace*, in the efforts of the ARF. A non-governmental task force met on preventive diplomacy in Paris in November 1996 to draft proposals on this matter for the ARF to consider in its 1997 meeting.

Expanding Regional Cooperation

The creation of both APEC and the ARF is evidence of expanding regional economic and political cooperation in the region. It is possible that the limits of regional cooperation in terms of the number of relevant participants and the continuing manageability and usefulness of these dialogue processes may soon be reached if they have not yet been reached with the inclusion of all the major regional states in these two processes.

On another level, the expansion of regional cooperation is evidenced in the increase in ASEAN membership and those enjoying observer status. Cambodia and Laos have one year to prepare for full ASEAN membership, while the extension of observer status for Myanmar was effected despite serious concerns about the present lack of progress in the domestic politics of Myanmar. In any event, the completion of the enterprise of widening ASEAN membership to include South-East Asia's ten countries in the immediate future should not be taken for granted. The progress of reform inside Myanmar remains an important determining variable for some ASEAN members.

Track-Two Diplomacy

As regional cooperation mechanisms increase in number and in membership and as new functional areas of cooperation open up, the role of non-governmental organizations in the promotion of regional cooperation for peace, security and prosperity is likely to increase. Already recognized by ASEAN, the ARF and APEC, these non-governmental organizations engaged in track-two diplomacy²³ have played very crucial roles in thinking through the directions formal mechanisms should take in furthering the cause of peace, security and prosperity in the region. The contribution of the ASEAN Institutes for Strategic and International Studies (ASEAN-ISIS) in ASEAN decision-making has been recognized and encouraged by the ASEAN foreign ministers in their joint statements over the past several years. The role of the Pacific Economic Cooperation Committee (PECC) in APEC has also been invaluable. The newly organized Council for Asia Pacific Security Cooperation (CSCAP), stalled over the manner in which Chinese and Taiwanese individuals and institutions can meaningfully participate in its activities, may finally be recognized by the ARF as its principal track-two partner once Chinese participation as a full member has been effected.

The leading actors in the track-two mode who conduct policy studies that are relevant to the tasks of the formal bodies are the region's think-tanks that have built an extensive network of cooperative activities among themselves and with government officials and institutions over a period of more than a decade. Their work is likely to become even more important in the coming years as Asia enhances its intra- and interregional cooperation within the wider Asia Pacific and other regions of the world.

Prospects for the Future

The post-Cold War Asia Pacific region has been a beneficiary of the benign peace brought by the removal of superpower competition, a development that facilitated the resolution of problems like the Cambodian conflict and enabled the emergence of *dtente* between key states in the

region. Nevertheless, challenges to regional peace and security resurfaced or emerged with the removal of the Cold War overlay. These come from sources that had little or nothing to do with superpower competition. They are likely to preoccupy the region in the coming years.

The determination of the future prospects of peace and security in the Asia Pacific region requires a clearer answer to many questions. Among them is the key question regarding the future shape and direction that China will take in its capacity as a regional power of great import and in its relations with its neighbours in the region. Others that are crucially important include the following:

1. Will regional reconciliation, which occurred in ASEAN in almost three decades, also occur in North-East Asia, where three great nations, informed by historical rivalries and deep-seated animosities, two still divided across the Taiwan Straits, share a common geographic and strategic reality?
2. Will peace and stability, which underpinned ASEAN economic development, also prevail in North-East Asia?
3. Will China's rise be accompanied by American decline and recession as a Pacific power?
4. Will Japan respond to such an evolving strategic reality with a bid to become China's competitor for regional leadership?
5. What responses will a united Korea take to these developments?
6. What responses will a united South-East Asia adopt?
7. Would Sino-Japanese competition for regional leadership trigger a regional arms race undermining the sustainability of economic growth of the key actors in the race?
8. Will regional states be able to manage the non-conventional challenges to peace and security to assure a peaceful and stable region?

Only when the answers to these questions become clearer and more certain than they are at present can we be more positive about the prospects for peace and security in this region. In the 1990s, a cautious approach to this question appears the wise course to take.

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