



A REGION OF CHANGE: A REGION IN TRANSITION

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To describe the Asia-Pacific region as a region in change is, to a large extent, both commonplace and a truism.¹ In 1996 Professor Michel Oksenberg placed the changes occurring in Asia on the scale of the Industrial Revolution in terms of their global impact.² Some quarter of a century earlier, the theme of a 1970 conference in Canberra dealing with the region was also of change. That conference noted that if it had been held in the 1960s based on the experience of the 1950s, the participants in 1970 ‘would have sustained some shocks’ brought about by the differences in outcome that could have been expected from a ‘well-informed contemporary [that is, 1960s] assessment’.³ The moral from this is that although change itself might be a given, its pace and direction are not and any lessons to be learnt from change are elusive and require an examination of assumptions as much as of trends.

Consider the region we now call the Asia-Pacific as it was in, say, 1949:

It was a region of territories and colonies as much as a region of states (although that was changing);

¹ I define the Asia-Pacific region broadly. For the purposes of this book it includes South Asia, East Asia and Oceania. The United States is also such a significant presence in the region, strategically, economically and culturally, that it might well be described as ‘of the region’ and it is discussed in terms of regional major-power relationships. Of course, the idea of region is just that: an idea. The ‘region’ in this book is defined the way it is because of some underlying assumptions about relationships between states and about the cause and effect of issues and their inter-relationships, as well as for bureaucratic definitional imperatives. Other ideas of ‘Asia-Pacific’ could well lead to a different idea of the region.

² Cited in Gary J. Smith, ‘Multilateralism and Regional Security in Asia: The ASEAN Regional Forum (ARF) and APEC’s Geopolitical Value’, Paper 97-2, the Weatherhead Center, Harvard University, February 1997. Other works from the same period and more recently dealing with different aspects of regional change include, for example, Chan Heng Chee, ed., *The New Asia-Pacific Order* (Singapore: Institute of Southeast Asian Studies, 1997), Kurt W. Radtke and Raymond Feddema, eds., *Comprehensive Security in Asia: Views from Asia and the West on a Changing Security Environment* (Leiden; Boston; Köln: Brill, 2000), and James C. Hsiung, ed., *Twenty-First Century World Order and the Asia Pacific: Value Change, Exigencies and Power Realignment* (New York Palgrave, 2001).

³ Bruce Brown, ‘Introduction’, Bruce Brown, ed., *Asia and the Pacific in the 1970s* (Wellington: A.H. and A.W. Reed, 1971), p.x.

- ⚡ Britain, rather than the US, was still the significant power in the region (although that was changing);
- ⚡ It was a region in which Japan was still formally the enemy (although that was changing);
- ⚡ War was an always present fear—Korea would be the first major example (that fear has diminished considerably);
- ⚡ Communist imperialism was the danger in the region;⁴ (that danger has gone).
- ⚡ The United States was not closely involved with the region and to the extent that it was, it was trying to disengage (that would change);
- ⚡ There was no alliance system (although that would change and change again); and
- ⚡ South Asia and Southeast Asia were the sub-regions of dangerous instability— social, economic and political (that would change to some extent).

The region, then, has changed considerably since 1949, but more than half a century later it is still changing. Today's changes are in many cases quite different from those of the last 50 years. In other areas there are distinct similarities. The changes today occur at all levels of the regional system. There is the potential rise of a great power to challenge the United States' military pre-eminence; there is a move to sub-regional (and pan-regional) focuses for dialogue and decision-making as the organizing principle for many state activities; political systems are moving almost inexorably towards liberal democracy, albeit with local flavors; economic systems are becoming ever more market-oriented and there is a consequent breakdown of national barriers to trade; and societies are increasingly rejecting traditional beliefs and reliance on community and faith and adopting the modernist credos of individualism, rationalism and secularism, not without some angst in many of the societies experiencing these changes.

Change, of course, is not necessarily the same as transition. With transition there must be some concept of moving from one defined state or existential model to a completely different one. Change, on the other hand, is a more routine or day-to-day set of occurrences. Change may occur without transition; transition involves change.⁵ In this region there are system-level transitions,

⁴ A point made by President Truman in the United States' Declaration of National Emergency' in 1950 and by Canadian Prime Minister Lester Pearson amongst other regional statesmen.

⁵ J.S. Nye, 'The Changing Nature of World Power', *Political Science Quarterly*, vol.105, no.2, Summer 1990, p.177 notes, when discussing power transitions, that they involve 'big changes

potential or actual, occurring with power relationships, and with the role of the state in relation to regional institutions. At the national level there are transitions to democracy, to market economies and to open societies all at different stages in different countries.

We may also differentiate between the idea of the Asia-Pacific as being a region 'in transition' and a region 'of transitions'. The first concept deals primarily with systemic transition and would clearly be applicable if, for example, the region were developing as Europe has and we wanted to examine those processes. Systemic transitions are happening to some extent in this region, and we examine them in this book, but there is much more happening simultaneously at the sub-system level and more than two thirds of this book is devoted to those changes. The sum of the transitions, nevertheless, is such that the region itself may well be described as being 'in transition'. The transition, when it is complete, will see a region completely different from that of even fifteen years ago, let alone fifty. Of course, once that state is achieved, change will continue and that change may well involve a transition to another model of regional and state organization.

Despite being able to see the broad outline of the forms of the regional transitions, we must still document the details and we must attempt to draw some lessons and ideas about the near and medium future, if only to avoid repeating our history as either tragedy or farce. This book is the outcome of a conference held in Hawaii in late 2002 at which selected scholars and practitioners were invited to think about specific areas of regional transformation either completed, in progress, or still in the starting blocks.⁶ The aim was to attempt to discern broad regional trends and to see, at the sub-regional level, similar processes at different stages of evolution to determine what, if any, lessons could be taken. The scholars involved in the project are a mixture of those based within the countries they are discussing and others who examine their area from a distance. There are advantages and disadvantages to each approach. Those based in their selected country have an intimate view of it, but may be too close to events for objectivity. Those examining the issues from a distance may suffer from equal but opposite advantages and disadvantages. Overall, the mixture gives a diversity of approach which reflects the diversity within the region itself. Diversity is also apparent in the ages and backgrounds of the scholars. Some have many years of scholarship to their

in the international political weather' and involve 'the fortunes of individual nations'. Clearly, transitions are more than just change.

⁶ The paper writers were given the opportunity to revise their papers in light of the conference discussion and several chapters have been commissioned to fill gaps in the framework.

names, others are making their reputations in the field. Some have extensive experience in their field as practitioners as well as scholars, others have focused on one or other of those activities. Again, a useful diversity of approach is apparent.

This is a work primarily of qualitative analysis rather than quantitative. That has been a deliberate choice. We aim to show a snapshot of the region and to draw out the complexity of the issues and an understanding of the 'color' of the processes rather than seek the 'certainty' that much quantitative analysis promises.

Theory, also, is generally implicit rather than explicit, although Jacek Kugler introduces transition theory in his analysis of the process and time period over which China will become a (perhaps the) major regional power. Again, this is a deliberate choice: the book is not a work of theory. The theoretical model underlying most of the chapters is that there is an inexorable move towards increasing interdependencies between states, especially in the economic realm (but also in the political and social), and equally inexorable moves within states to the three systems that Novak describes as constituting 'a free society': 'a free polity, a culture of liberty and a free economy'.⁷ More simply, these might be described as transitions within states towards democracy, open societies, and market economies. Any uncertainty about these processes is over the pace and details of the transitions rather than their outcomes.

The first three sections of the book are set at the system or regional level. The first discusses the context within which transitions are occurring within the region. Stanley Weeks discusses the ways that national security strategies affect and are affected by change and he notes that our response to providing security will be colored by our concepts dealing with change and that our responses will lag behind the changes. The solution lies in a process that allows us to challenge our assumptions and forces us to identify the full range of possibilities. Eric Teo focuses on East Asia specifically and discusses the issues within the framework of globalization and the so-called Asian monetary crisis, the effects of which are still being felt. He identifies clusters of change in the financial, economic, social and political arenas throughout the region and he argues that there is a fundamental transition in the form of the Asian nation-state in the way it understands sovereignty, how it perceives national security, the way it has to take into account 'soft power', and in how inter-state relations

⁷ Michael Novak, 'The Beginning of Economic Wisdom', *The National Interest*, 71, Spring 2003, p.95.

are changing. Teo argues that ‘ the fundamental transition for Asia will only come when the Asian concept of the nation-state gives way to a “larger nation-state” (as in the expanding and increasingly integrated Europe) beyond present borders. That should be the ultimate transition and goal for East Asia in the next twenty years or so’.

The second section is also set at the regional level. Three chapters, by Chris Layne, Jacek Kugler and Ronald Tamen, and Paul Godwin, consider the question of whether the United States will remain predominant in the region or whether it will be challenged by China and, if so, in what sphere and over what time period. All three scholars argue that China’s rise is (almost) inevitable. Godwin and Layne argue that the US role in relation to China should not be to challenge it, but to act as an offshore balance to China’s continental power. Kugler argues that ways must be found to ensure that China is integrated into the world community in a way that allows its needs to be met, but at the same time ensures that its values are compatible with those accepted by the developed democracies. The future role of India within the region is not addressed in these chapters, but is one that scholars and others will undoubtedly have to consider soon.

In section three the region is considered as, potentially, a system of sub-systems based on the present geographically based (sub) regional organizations in South Asia, Southeast Asia and Oceania, the South Pacific.⁸ Change is occurring, but slowly; there is not yet any transition to the sub-region as the standard unit of analysis in regional affairs (and indeed, there is no form of overarching or multi-issue sub-regional organization in Northeast Asia at all). Eric Shibuya discusses the South Pacific—organized as the Pacific Islands Forum; Narayanan Ganesan looks at Southeast Asia—perhaps moving towards a form of integration as the Association of South East Asian Nations; and Atiur Rahman examines South Asia—particularly the South Asian Association for Regional Cooperation’s lack of success as a regional organization at any more than the rhetorical level. These three similar yet competing views of how sub-regions could develop tell us that there is a long way to go before we can argue that the region is integrating or developing any sense of ‘community’, even at the sub-regional level.⁹ Each of these regional

⁸ Of course, other sub-regions could be identified based on different criteria. The sub-regions defined in this chapter have been chosen for discussion because they are the only ones that attempt to bring together more or less the full range of strategic, economic and social issues of interest to their member states.

⁹ The declaration by ASEAN leaders at their October 2003 summit of the goal of moving towards an ASEAN community by 2020 on the basis of the pillars of ASEAN security,

organizations has trouble agreeing on its goals, moving beyond rhetoric to action, and accepting that successful regional organization inevitably implies a derogation of sovereignty.¹⁰ Finally in this section, David Capie considers the way beyond the current sub-regional organizations. He notes especially integration both at the broad pan-regional level and also within East Asia as the 'Asean + 3' process gathers momentum. Capie sees no likelihood in the short term that East Asia will rival the Asia-Pacific as the focus of activity; rather, he argues, there will be a series of overlapping organizations that will build members' confidence in the motives of other members, but that will not dramatically transform the existing regional order.

The final three sections move away from the region and sub-regions as the units of analysis and focus, at the state level, on the three broad functional areas within which international relations are conducted: the politico-strategic; the politico-economic; and the politico-social arenas.¹¹ Rather than examine every country in the region, the analyses look at a broadly representative selection of countries (three in each section) to provide an overview of the region and the transitions occurring within it.

Broadly, the model for each of these sections is for a case to be included of successful transition, one where transitions seems to be stalled and one where transition is either not yet successful or is yet to occur at all. A number of the scholars in these chapters have challenged some of the assumptions underlying the case selections.¹² Gary Hawke, for example, argues that New Zealand should not be viewed as a country that recently and successfully adopted the market in place of a pre-1980s state-directed economy. It has, rather, always embraced international trade and its apparently dramatic economic liberalization is more a case of evolution than revolution. In any case, the lessons are drawn. Similarly, Ian Campbell notes that the inclusion of Tonga as a case in the book fuels perceptions that it is an archaic and closed society that

economic and socio-cultural communities could in the longer-term move the level of analysis towards the sub-region.

¹⁰ Amitav Acharya, 'Democratisation and the prospects for participatory regionalism in Southeast Asia', *third World Quarterly*, v.24, no.2, 2003, pp.375-390 discusses how the growth of democratisation in Southeast Asia (and consequent redefinitions of attitudes towards sovereignty) has the potential to revitalize the development of Southeast Asian regionalism. There are lessons here for the other regions also.

¹¹ See the discussion in Ralph Pettman, *World Politics: Rationalism and Beyond* (Basingstoke: Palgrave, 2001).

¹² The case studies were chosen by the editor. Some contributors exercised authorial discretion to change the focus of their chapters while others accepted the title as given and commented on the accuracy or otherwise of the assumptions underlying it.

needs to modernize, whereas Tonga has been 'modernizing' for some 200 years and its liberal constitution dates from the 1870s, making it one of the oldest in the world. The chapter on Tonga does, however, give a view of a society that has not adopted all the trappings of a pluralist society and shows how this may be a source of strength. Adam Fforde makes a similar point in his chapter on Vietnam. Much needs to be done there, but the basics of a market economy have been apparent for some time.

The world of high politics is symbolized by the transitions to democracy with case studies from South Korea, Indonesia and Pakistan. Carl Baker outlines Korea's political changes and the challenges the country faces to integrate liberal democracy within a Confucian social system. He concludes with some prescriptions as to how Korea should move to 'consolidate' its democracy within a framework bounded by Korean national identity and culture. Ikrar Bhakti discusses the tentative moves towards democracy in Indonesia. The country's democracy is still shaky and there are mixed opinions about the success of the Megawati Sukarnoputri government in developing democratic institutions. Megawati faces many challenges, not the least from political rivals trying to delegitimize her government, and her reforms may founder on opposition from her rivals and on a lack of any democratic culture within the country. In his chapter, Aqil Shah shows how continued interventions by the armed forces have all but destroyed democratic impulses in Pakistan. Democracy in Pakistan, in Shah's view, is a failure; at best, it is a front for the military to retain control behind a façade of civilian government. Shah's prescription is for a 'fundamental reordering of civil-military relations' within Pakistan, a process not likely to occur so long as Pakistan remains an important ally of the United States in the war against terrorism. As Acharya has shown, progress towards democracy within states is a fore-runner for the development of 'participatory regionalism'.¹³

In the politico-economic realm, Yoichiro Sato discusses the region's hesitant moves toward an open trading system through the World Trade Organization, the Asia-Pacific Economic Cooperation forum and through sub-regional and bilateral arrangements. Sato concludes that the openness of regional markets can be obtained so long as the global superstructure remains open. The case studies show varying degrees of success in transitioning to market economies: they include New Zealand (successful and complete), India (still trying) and Vietnam (moving more quickly than many appreciate). Gary Hawke outlines the broad range of New Zealand's economic reforms since the

¹³ Note 9 above.

mid-1980s and sets them within a broader historical context. He notes that the New Zealand experience has wider implications for our understanding of transitions, with the clearest lesson being the desirability ('necessity' might not be too strong a word) of managing expectations. India's move towards a market economy since the early 1990s was spurred by economic crisis. Since then it has been slowed by the imperatives of the country's turbulent democracy and a bureaucracy that is thorough to the point of obstruction. Charan Wadhva notes these points and concludes that the Indian economy has had notable successes but continues to exhibit weaknesses. Wadhva presents a comprehensive set of suggestions for India's future economic path. In discussing Vietnam, Adam Fforde notes that although the country's political system might be communist, the economy has taken on the attributes of the market and is now very well integrated into the world economy. Fforde argues that Vietnam needs more robust politics and a clearer definition of the relationship between state and society if Vietnam is to maintain its market orientation and gain full benefits from it.

The final section discusses a range of societal transformations as states come to terms with modernity. Malaysia is a country undergoing many transitions: in identity; in education and language; and in the role of Islam, to name a few. Michael Leigh examines these and others and notes how the government of the day has always attempted to control the way society has operated and organized itself. He concludes that the most significant process has involved the restriction of space for dissent. The consequence has been that dissent has moved from being based on cross-ethnic or cross-religious organizations to being based on racial or religious exclusivity with a consequent division of society. Mongolia is a society moving rapidly from its pastoral nomadic past to an industrialized and urban future. Mashbat Sarlagtay examines the problems that arise when the romantic traditional culture clashes with the modern, citing the privatization of land in his case study. The traditional view was that for the nomads, boundaries and land ownership did not exist. Mongolia's task has been to reconcile this view with one that argues that without laws on land ownership, Mongolia can-not develop. The latter view has prevailed, but not without a cost to the culture. Finally, Ian Campbell examines Tonga and argues that, although by modernist standards Tonga may not be 'modern', the country has insulated itself successfully from many of the problems of modernity that have affected other Pacific countries. Campbell usefully reminds us that the modernity/traditional dyad may be overly simplistic when considering security and insecurity, especially if the

explanation leads to an assumption that the remedy for security problems is simply more modernization.

The picture that these chapters give us is of a region (and its constituent countries) moving more or less quickly to modernity, but using a variety of methods, and with more change (perhaps more transition) possible in the future. There is the medium-term possibility of a leadership transition from one great power to another, and the longer-term possibility that sub-regional groupings could play a larger role than they do at the moment, although the state will remain as the primary actor in regional affairs for some time.

The region is one that has mostly embraced democracy (and even where states have not, they have attempted to take on democracy's trappings) while strongly embracing the market, but the move toward open, plural, modern societies is lagging. That should not surprise us. Democracy and the market are far more susceptible to external influence and example than are the cultural underpinnings that set the way societies organize themselves. If stability is the overall goal, on the evidence presented in these chapters this will be best achieved through political inclusion, economic prosperity and social participation.

There are still *lacunae* in this discussion of change and transition. The book primarily considers endogenous factors. If exogenous factors were included explicitly then the large topic of the effects of globalizing processes might lead to different conclusions about the future shape of the region, although globalization and its effects are implicit in the discussion on the transitions to open market economies. Even in its treatment of endogenous issues the book, obviously, does not consider the detail of all the countries in the region. It is a snapshot with the failings of a snapshot. It could be that changes in some other countries, not documented here, could lead to outcomes different from those discussed implicitly and explicitly in these chapters. Perhaps more importantly there are events, changes, occurring in the region that could completely transform the ways that security relationships are conducted and that could thus lead us into a 'new region'.¹⁴ For example, changes in the ways we think about security are not considered. In the future, issues related to health, the environment and demography could all be explicitly security issues. If that is to be so we will probably see consequent changes in the ways regional security relationships are managed. Also, there are direct changes in security relationships becoming apparent, as between India and China for example. It

¹⁴ See the discussion in note 1 above about the region being an idea rather than an objective space.

could be that these kinds of changes will have more long-term impact on the region than the possible hegemonic transition from one regional power to another. It is too early to tell if these will occur and whether they will be significant.

The region is relatively stable today, either as a consequence of the transitions discussed in these chapters or, perhaps, despite them. There is, however, nothing to indicate that change has finished or that stability will last. The challenge for the region is to acknowledge that change is a constant and to manage it so that it does not threaten the region's continued stability. There are two levels at which change has to be managed today. The first is at the systemic level; the potential change from the United States to China as the dominant power. It is not completely clear whether, when or how this will happen and if it does happen whether the US will attempt to resist the process. This is a major uncertainty and it is one that all states have a stake in managing. The second level is that of the changes within states. Here the situation is much clearer. Change is happening, quickly in some areas and more slowly in others, but it is not a cause for significant concern for the region. Change is generally in the direction of more democracy, more open markets and more plural societies. Management issues are primarily for the individual states to deal with rather than for the region as a whole. For the longer future, the ways that East Asia could develop as a 'super state' through the ASEAN+3 process will be the issue to watch and manage.