

Global Changes and its Impact on the Asia Pacific Region: An ASEAN View

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Introduction

In the last ASEAN Ministerial Meeting (AMM) in July 1990, the Philippines Secretary of State, Raul Manglapus, proposed that ASEAN should begin to discuss and examine the security problems of Southeast Asia in light of changes in the global and Asia Pacific regional environments. The Philippines has a particular interest in this discussion, since it faces the immediate and concrete issue of the bases.

The AMM agreed to have a dialogue on security among ASEAN members, which is to be undertaken in accordance with the ASEAN Concord agreed upon in the First ASEAN Summit in Bali 1976 and the Kuala Lumpur Declaration of 1971. In the ASEAN-PMC (Post Meeting Conference), following the July 1990 AMM, both Australia and Canada also suggested the need for a dialogue on security issues in the wider Asia Pacific region.

The Australian Foreign Minister, Gareth Evans, proposed a dialogue among Asia Pacific countries, similar to the CSCE (Conference on Security and Cooperation in Europe) in Europe, which could be named CSCA (Conference on Security and Cooperation in Asia Pacific). The Canadian Foreign Minister, Joe Clark, suggested that the ASEAN-PMC be transformed into a forum to discuss regional security issues. He also proposed that other countries, namely the South Asian countries, the Indochinese countries, China, and even the Soviet Union, could be invited to join. Similarly, Shevarnadze proposed a repetition of the Helsinki process for the Asia Pacific region to be launched at a foreign ministers meeting in 1993.

Which ever form the dialogue may take, it is necessary for ASEAN to begin to make the following preparations. Firstly, to assess and discuss the fundamental changes that are taking place in the politico-security and economic realms, both globally and regionally, and their impacts upon the Asia Pacific region. Secondly, to define and develop a common perception of the new threats and challenges to the Asia Pacific region in the post Cold War environment. This is not an easy task, but a necessary one, since the region is more complex and diverse than Europe. Thirdly, to discuss the options available to ASEAN in dealing with those changes and in overcoming the new threats and challenges in the future.

In examining the options, ASEAN must keep in mind two main factors that will influence the direction of its future policies. The first is ASEAN's concept of security, which will always be seen in the overall context of national and regional resilience. In this sense, it encompasses all aspects of life, and is similar to the concept of "comprehensive security" which was introduced in Japan by Prime Minister Ohira. This means that economic and social problems are an integral part of regional security issues. The challenges and threats faced by the ASEAN countries have become more complex. They originate both from within and from outside the region, and are not confined to military or politico-military aspects alone. Thus, ASEAN's approach to security has become more valid. The second factor refers to the consensus in ASEAN that discussions on security issues

among ASEAN members should be guided by the ASEAN Concord of 1976 and the Kuala Lumpur Declaration of 1971 on ZOPFAN (zone of peace, freedom, and neutrality).

The Impact of Global Changes on the Asia Pacific Region

The Politico-strategic Environment

The politico-strategic environment today is marked by the end of the post-WW II Cold War era. The conflict between the US and the Soviet Union which lasted for over 40 years was unique in that it was a conflict between ideologies. The end of Marxism-Leninism, resulting from its failure to improve the well-being of the people, which led to the end of the East-West conflict, has also eliminated to a very large extent the possibility of a nuclear war. The impact of this change on international affairs is dramatic, as already shown in Europe.

The hope is that globally the world will become more peaceful and stable. Sources of conflicts, however, remain prevalent. But the new threats to peace and stability are likely to be based on Realpolitik and no longer result from clashes of ideologies as in the past. Traditional hostilities, based on nationalism, ethnicity and religious animosities (as in the Middle East today), will be brought more to the fore. Global conflicts will also result from "new" threats such as the trade in sophisticated arms, narcotics and terrorism as well as environmental degradation.

The dismantling of the iron curtain in Europe has brought about a totally new situation, with the possibility of the emergence of a Europe that stretches from the Atlantic Ocean to the Urals. This development will undoubtedly open up new opportunities as well as new problems and tasks.

The first task is the development of a new security system for Europe. The Warsaw Pact has practically ceased to exist, while NATO is being transformed into a forum for political cooperation. Europe is now in search of new arrangements that could accommodate both Eastern Europe and the Soviet Union. The CSCE is seen as providing a basis for the new arrangement, but its institutions are considered to be too weak. Also, it consists of so many countries. There is a proposal to modify its institutions to allow for the establishment of a core group and to broaden its function so that it would not only address political issues but could include the undertaking of joint military exercises, the establishment of peace keeping forces for Europe, and the like. It seems that for now a transformed NATO could assume some of the above contemplated tasks. Ultimately, the security of Europe will be the responsibility of the European countries themselves. The US still has an important role to play in European security in this transition period, but the parties concerned should begin to visualize a new modality for the future of the US presence in Europe.

The second issue, which is closely related to the first one, is the unification of Germany. The unification has come true much faster than initially expected, including by the Germans themselves. This brings about new concerns on the part of the other European countries, based on past historical facts implicating Germany, namely the Franco-German war in the late 19th century and the two world wars. At issue here is whether or not the Germans have changed and accordingly, the question is whether Germany will become a threat to Europe.

These questions cannot be answered at this point in time. What is important for Europe is to devise schemes that would incorporate Germany in a structure (or structures) of cooperation, including in the military field. In this context, it is difficult to imagine a scheme which excludes the US, at least for the time being.

The third problem arises because of continued uncertainties about the future developments of Eastern Europe and the Soviet Union. The various Eastern European countries have different histories, experiences and internal conditions and therefore, the success of their reform programs differs from one country to the other. However, they share a common challenge, namely of transforming their systems and societies from a closed communist system to a more open, multi-party, democratic system, and from a centrally planned economy to a market economy. In addition, many of those countries are faced with the resurgence of problems of ethnic minorities, which also complicate inter-country relations among several Eastern European countries.

The fourth issue refers to the future of Western Europe as a political union. This trend has been accelerated by the progress achieved in the economic field under the 1992 project, which in turn has been positively influenced by the political and military developments in Europe. But developments in Eastern Europe and Germany's process of unification can hamper the momentum towards the creation of a United States of Europe or even towards a Political Union of the European Community (EC).

Developments in Europe do serve to illustrate at its best the fundamental changes that are taking place globally which have reduced or eliminated the dangers of a total or nuclear war. Today, ideological conflicts still prevail between Western values (liberalism and capitalism) and Islamic values, for example, but this conflict is not as widespread and total as that between liberalism-capitalism and communism.

However, the world has not become free of conflicts and wars. This is clearly demonstrated by the recent Iraqi invasion of Kuwait and the resulting Gulf crisis. This development also shows that a new international order is being shaped in which the United Nations will play a more central role and in which the leadership role of the United States as the only comprehensive superpower is still being sought. This crisis also shows the importance of cooperation between the US and the Soviet Union in the management of international crises. It also demonstrates that the EC is not yet a "United States of Europe" that can speak with one voice, and that Japan is totally ill prepared to play a greater political role, which is commensurate with its economic might.

Geostrategic factors remain a major determinant in international relations although geo-economic factors have assumed a greater prominence. The role of smaller powers, including Third World countries, cannot be ignored by the major powers and superpowers since the support of the former group of countries is necessary to provide legitimacy to the actions or policies of the latter group of countries in maintaining international order. Unilateral actions, even by the superpowers, can no longer be taken because of strong international opposition to such acts. Such reaction was already discernable in the 1980s in relation to the conflicts in Cambodia, Angola, Afghanistan, and Nicaragua. The United Nations, which is the forum for the developed and developing countries to reach consensus on important international issues, will therefore assume a greater role and importance in the future.

The Economic Environment

The world economy today is characterized by two main developments, namely increased interdependence and globalization of economic activities. There also is a trend towards greater reliance on market forces in the management of economies. Another important trend is the strengthened economic position of Western Europe and Japan and the relative weakening of the US economic position. The position of the developing world in general has been eroded because of the diminished role of labor and raw materials in world production compared to the increased importance of capital, technology, and management which are mostly in the hands of the industrialized world.

Recent developments in two regions of the world are expected to have important implications on the world economy. The demand for capital in Eastern Europe is expected to create increased competition in the international markets at a time when the pool of international capital appears to be dwindling. The armed conflict in the Middle East, caused by Iraq's invasion of Kuwait, could seriously affect the supply of oil, and in turn could lead the world economy into a deep recession.

The above developments will have further implications on economic relations between the industrialized world and the developing world, which already deteriorated since the 1980s, not only in terms of reduced development assistance but in other economic fields as well. The interest of the industrialized countries towards the "third world" is likely to diminish even further as a result of the ending of the cold war. In addition, as mentioned earlier, the developing world with its abundance of labor and raw materials is now losing much of its economic advantages as a result of technological progress.

In view of the above, it is important that thoughts be given to the formulation and creation of a new structure of relations between the industrialized and the developing worlds, taking account of the emerging new international issues (environment, narcotics, terrorism, etc.) as well as the desirability of resolving the "North-South" problems within a regional rather than global context. There is also the need to inform and educate the public in the industrialized societies that cooperation with the developing world is in their own interest, since local and regional conflicts could become a source of instabilities that have wide-ranging implications. The "third world" which involves three-fourth of the world population simply cannot be ignored.

In the geopolitical field, the Gulf crisis has greatly influenced led to an international development, namely towards an increased role of the United Nations and the developing countries. However, the impact of the crisis on the international economy, in addition to the effect on oil prices, remains highly uncertain, and no ideas have emerged on the role of the United Nations in the international economy. Japan, as one of the largest economy and the biggest donor country should be uniquely positioned in developing new, multilateral initiatives in this context.

Implications for the Asia Pacific Region

The implications of the rapidly changing global situation on the security of the Asia Pacific region cannot readily be seen. However, one can be certain that they

already have significant affects for the region.

The end of the cold war has led to reduced superpower conflicts and competition in the Asia Pacific region. Even though changes in the Asia Pacific region are slower than in Europe, the Soviet Union has almost totally withdrawn its military presence from the Southeast Asian region, including from Cam Ranh (except for some surveillance capabilities). However, it is now concentrating its forces in Northeast Asia and the Okhotsk Sea, perhaps with the aim of maintaining some capabilities to balance the US Seventh Fleet and to have an effective second strike capability in case of a US attack. Nonetheless, its operational capabilities in the region have significantly diminished.

According to the assessment of the US Department of Defense (DoD), the US will also reduce its military presence in the region as a response to the changing strategic environment and as a result of its own budgetary constraints in the future. DoD's plan is for a gradual reduction over the next five years, taking into account of the greater complexities in this region compared to the European theatre. There is the possibility, however, that this process could be accelerated by pressures from Congress and US public opinion or because of domestic economic considerations. Heightened emotional reactions on the part of US public opinion, resulting from increased economic tensions with Japan or from an abrupt decision on the part of the Philippines to terminate the bases agreement with the US, could further hasten the process.

As in the case of Europe, the US presence in the Asia Pacific region is still considered vital to the maintenance of regional peace and stability. Its primary role in the region is to help assure that other big powers will restrain themselves from causing instabilities to arise in the region. This means that the US presence is not merely aimed at balancing the Soviet Union, but in the future also at checking China, India, or Japan.

As yet, Japan is politically not ready to increase its military capabilities substantially or individually. But if it does, it will encounter much opposition from its neighbors. Therefore, the US-Japan defense structure remains vital to assuring stability in the region, especially since there are grave concerns that one day Japan will decide to go it alone in the defense field.

The Soviet Union is still a major military power that possesses nuclear weapons. In addition, its internal development and stability remain uncertain, and so long as it has not become involved in economic and political cooperation in the region, it remains a major source of instability to the region.

The People's Republic of China (PRC) is likely to be preoccupied with its own development and modernization efforts for the next 20 years or so and therefore, it will restrain itself from engaging in any adventurous activities in the region. It will also do its best to maintain open economic relations with the world. These developments should help transform the PRC from a revolutionary power into a conventional power. Thus, it should also be in the interest of the world not to isolate China. Instead, China should be drawn into regional and international structures so that it will be committed to the international rules of the game and to the regional - rather than its narrow national - interest. It is in this connection that China should be included in regional cooperation schemes, such as the Asia Pacific Economic Cooperation (APEC) process.

India is seen as a potential threat because of the rapid build-up of its naval and air capabilities, the establishment of military base in Andaman, which is

close to the Strait of Malacca, and particularly because the military build-up has very unclear objectives. However, it should not be overlooked that India faces severe internal problems and difficulties in its relations with its neighbors. These would necessitate it to focus its attention on the Asian sub-continent and the Indian Ocean. All these pose a major constraint to its ability to take any politico-military actions far from its own shores.

The above developments and the uncertainty regarding the US future presence in the region provide a strong reason for the countries in the region themselves to begin to seriously assess the implications of different scenarios. One likely scenario foresees a reduction of the US presence in the Western Pacific at a much faster pace than planned by the US Administration. This could happen when the US Congress and US public opinion, for instance, overreact to a decision by the Philippines to terminate the bases agreement with the US without a new one being formulated. This possibility is not remote in view of the fact that the majority in the Philippines Senate is opposed to a continuation of the agreement.

The next round of negotiations on the bases will hopefully be completed at the end of January 1991, and becomes a new Treaty in September 1991, following Manila's submission of a formal notice of termination to Washington in May 1990.

As it considers its options over the bases, the US should give careful consideration to balancing its future strategic interest in the Western Pacific, the region's political stability, and the Philippines' perceived national interest; these factors may not always converge. Complications could arise if nationalist sentiment and emotion dictate a Philippines' decision to abrogate the bases agreement. Similarly, the Philippines should bear in mind that financial assistance and investment will be less forthcoming if it no longer hosts the US bases. In addition, other economic costs to the country if not extending the agreement include such factors as loss of employment and compensation.

The atmosphere of negotiations has changed for the good, and clearly there is a convergence of objectives between the US and the Philippines governments. The negotiations are now on the modalities for "phase down and phase in" and the conditions concerned. The Philippines' Senate however, has to consider in the last phase, that what can be expected at the end is a phased down of US presence in the Philippines in the next 5-10 years to come, and that at the end US facilities, such as in Singapore, could replace the arrangements made in the new treaty.

First, it should be borne in mind that most of the Philippines' political elite still question the continued use of the bases by the US. Second, from the US perspective, any deal will have to follow a re-examination of issues related to the duration of the agreement, the size of the base areas, the authority and sovereignty over them, their joint, and multi-purpose uses and the level of compensation required by the Philippine Government. The ultimate decision on whether the US stays or goes rests on the resolution of these issues.

One sign of US resolve was the decision to appoint Richard Armitage as special chief negotiator, rather than to assign the task to the US ambassador in the Philippines. This could be seen as a clear determination by Washington that US-Philippine relations should not be dominated by the bases issue alone. In addition, Armitage has earned a good reputation among Southeast Asian lea-

ders, and is trusted by the US Navy and the Pentagon, that both have a clear interest in the outcome of the negotiations.

Ultimately, it should be in the interest of both the US and the Philippines to maintain the bases because of their contribution towards stability in the Asia Pacific region and the economic development of the Philippines. This should also be in the interest of all countries in the region, including ASEAN. While Singapore, Brunei and Thailand have made their support for the bases known in a more direct manner than Malaysia and Indonesia, all ASEAN members essentially accept that the Philippines should continue to host them.

The strategic importance of the bases is to support US military interests in Northeast Asia, particularly Japan, in confronting the Soviet Union in the Okhotsk Sea. They are also of importance to the security of Southeast Asia's sea lanes, and contribute to the maintenance of US forces in the Indian Ocean and the Gulf.

The political significance of the bases is perhaps of greatest importance to Southeast Asian countries, as they symbolize the US presence in the region, which provides some deterrence to intervention by other outside powers. This has allowed the countries in the region, ASEAN in particular, to concentrate their efforts on economic development.

As mentioned earlier, the other source of a possible emotional outburst on the part of the US Congress is continued trade and economic frictions with Japan. However, US reactions would be tempered by the fact that US-Japan relations are vital to the US, and that Japan cannot be allowed to go it alone in the defense field.

Until today the most important problem between Japan and the United States is in the economic field, originating not only in the huge bilateral trade imbalance of about US \$ 50 billion annually but also in the increased Japanese investments in the US as well as in the structural changes that are taking place in Japan's society and economy as proposed in the Structural Impediment Initiative (SII) with the US. In dealing with this bilateral economic problem with Japan there still is a debate among Americans themselves, namely between the "traditional" group, consisting of bureaucrats and intellectuals that understand Japan, and the "revisionist" group which maintains that Japan cannot be treated as a Western society. This group believes that the SII will not be successful because it projects Japan in the Western image. Rather, it suggests that the policy towards Japan should be formulated in accordance with Japan's own values and systems.

The Gulf crisis has put additional pressures on Japan, particularly to assume a greater political role that is commensurate with its status as the second most powerful economy in the world. This is of importance to the public opinion and the US Congress as it relates to the issue of burden-sharing between US and Japan, especially since the Persian Gulf is so much more important as a source of oil to Japan than to the US. It should be in the interest of ASEAN as well as other Asian neighbors of Japan to induce Japan step by step to an increased participation in collective security activities, such as participation in a UN peace keeping force, rather than to exclude Japan. The danger of the latter is that Japan could go it alone if it faces greater pressures in the future.

In fact, Japan has begun to think about its political role in the Gulf crisis, but as usual the process of decision making is very weary and slow and tends to produce "too little too late". Its initial pledge of US \$ 1 billion was severely

criticized by the US Congress. The decision to deploy a contingent as a UN peace keeping force and to contribute to US \$ 4 billion has reduced the pressures on Japan but it is clear that in the future much more is expected from Japan. It is also understood that Japan cannot confine its role to only providing financial contributions. However, in formulating a more comprehensive policy it also needs to take into consideration the sentiments of its Northeast Asian neighbors, particularly China and Korea. China has criticized Japan for sending its SDF as a UN peace keeping force even without military uniform.

For ASEAN, the US-Japan alliance is the most important guarantee that Japan will not go it alone in defense. Therefore, any policy that is necessary to safeguard the alliance must be taken by Japan and will be supported by ASEAN. However, Japan must not overdo in the military field. ASEAN will support a deployment of its SDF in a special UN peace keeping force, in which it participates in logistics activities or in the medical teams. But the deployment of frigates or mine-sweepers to the Persian Gulf would give the wrong signals to public opinion in the ASEAN countries.

In any case, the ASEAN countries will begin to prepare themselves for the possibility that, as history has shown, any vacuum created by the withdrawal of one power will be filled in by other great powers. Given the uncertainties, ASEAN member countries need to enhance cooperation in the defense field. They should strengthen the existing bilateral and trilateral defense cooperation amongst them so that this web of defense relations could eventually be transformed into more formal defense coordination mechanisms among the countries concerned. ASEAN countries could also develop closer defense cooperation with Australia, but this cannot be based on the Five Power Defense Arrangement (FPDA) as this is seen as an arrangement which was originally formed against Indonesia.

Another important item on ASEAN's agenda is the normalization of relations and cooperation with other countries in South East Asia, particularly Vietnam, as soon as the Cambodian conflict is resolved. It is important for ASEAN to find the modality to involve non-ASEAN countries in South East Asia in the implementation of the ZOPFAN idea. A first step in this direction is to invite those countries to join ASEAN's Treaty of Amity and Cooperation, such as undertaken by Papua New Guinea. This would implicitly mean an acceptance of peaceful settlements of any conflict in the region. Other efforts of ASEAN should include further development of ideas on CBM, and the establishment of a forum for political dialogues in the Asia Pacific region as a whole as a way to improve the stability, peace and progress in the region. In this regard, initiatives by private "think tanks" should be welcomed. There was the opinion that regional conflicts and disputes should be settled first before such a forum could be created. But the CSCE in Europe was formed before problems in Europe were settled. Therefore, there is no reason why the Asia Pacific region should not have a forum to discuss regional security issues. The dialogue could be of an informal character at the beginning, to be developed later into a more formal one.

If the US decides to totally withdraw from the Western Pacific, however remote this possibility may be, ASEAN might consider establishing a more formal defense arrangement with the countries in the Southwest Pacific (Australia, New Zealand, and Papua New Guinea). In addition, it should seek cooperation with Japan in the area of technology transfer and the supply of equipments that

could assist ASEAN in safeguarding the SLOCs in Southeast Asia which are vital to Japan's security interests. ASEAN opposes any Japanese attempt to police the SLOCs in Southeast Asia but it is ready to cooperate with Japan since it cannot carry the financial burden of this task by itself. ASEAN could also examine future US capabilities to supply the necessary technologies and equipments to ASEAN.

A formal ASEAN cooperation in defense cannot come about overnight. As a prerequisite, ASEAN needs to resolve many of the prevailing problems between its own members, which thus far are swept under the carpet. These include among other things the Sabah problem between Malaysia and the Philippines, as well as Thailand's ambivalence towards ASEAN and its greater interest to play a leadership role in continental Southeast Asia. Of equal importance to ASEAN's defense cooperation is the development of a common perception of threat, in particular in assessment of the roles of China and Vietnam in Southeast Asia, as well as on the relations with the other great powers. This will require more precise formulation and adaption of the implementation of the ZOPFAN concept.

In addition to their security implications, the recent changes in the global environment also have political and economic implications for the region. The political implications of the dramatic developments in Easter Europe can be seen in the greater awareness globally of the concepts of freedom, democracy, political pluralism, the rule of law, and human rights. These influences are immediately felt by the socialist countries in the region, namely China, Vietnam, and North Korea, whose political leaders continue to resist changes. Mongolia, Myanmar, and Nepal have also been affected, and the influence will also be felt in the other countries in the Asia Pacific region although not immediately. In fact, popular movements in South Korea, the Philippines, and Taiwan have begun much earlier than in Eastern Europe. A cursory examination of the developments in these different countries suggests that change will be more rapid when a country faces grave economic difficulties.

The implications of global economic changes have been widely discussed. In the Asia Pacific region, these changes have led to greater economic interdependence among the Western Pacific countries. This has brought about new economic opportunities for the countries in the region, especially the developing countries, but it also is a major source of political frictions. In recent years, the region has also seen a dramatic increase in Japanese direct investment in manufacturing into Asia. This has led to greater intra-industry trade among the countries in East Asia and Japan. This development is beneficial to the ASEAN countries, but it is also a source of potential political discontent, especially if the resulting regional production structure is overly dominated by Japanese companies. In addition, the region continues to witness economic and trade frictions between the two major regional economies, the US and Japan. This development has destabilizing effects upon the entire region.

A Concluding Note

The preceding discussion clearly shows the importance of a strong and cohesive ASEAN to cope with the major changes that are taking place in the various fields, in the security and strategic fields as well as in the international economy.

In fact ASEAN has recognized this necessity in the last AMM. Proposals were made to take bold initiatives in enhancing regional economic cooperation and to strengthen the mechanisms for cooperation, including the ASEAN Secretariat, the Joint Ministerial Meeting, and the involvement of ASEAN economic ministers in the ASEAN PMC. In addition, the need to have a dialogue on politico-security matters was also recognized. All this will be taken up at the next ASEAN's Summit in Singapore, December 1991.

Japan's increased role and presence in the Asia Pacific region can be beneficial and will not be perceived as a threat so long as its alliance with the US is intact. The US-Japan alliance is vital to the maintenance of peace, stability and prosperity in the region. It is also in ASEAN's interest to prevent an overdependence on Japan, and this can be assured so long as the US presence in the region is adequate.

Importance of the PR China to ASEAN rests on its adjacent location to Southeast Asia and the existence of territorial disputes in the South China Sea. A forum to discuss these problems need to be established. This forum, for instance, could take up the recent proposal by Prime Minister Li Peng during his visit to Singapore in August 1990 for the development of joint exploration and exploitation of resources in that area.

The Soviet Union should be invited to participate in the economic activities and development of the region. A main task for the Soviet Union in the Asia Pacific region is the peaceful resolution of the Northern Islands. ASEAN should examine whether it can play some role in the search for such a peaceful settlement of that problem.

In the final analysis, ASEAN can effectively participate in the various regional efforts suggested above if it has the will and capability to enhance its own cooperation in all fields. The development of ASEAN's institutional capabilities is one of its most urgent tasks.