warwick.ac.uk/lib-publications

An Analysis of Western International Relations Theory and International Co-operation in the Asia-Pacific, with Special Reference to ASEAN and Taiwan

by

Wei-Hwa Chen

A Thesis Submitted for the Degree of Doctor of Philosophy

Department of Politics and International Studies

University of Warwick

January 1999
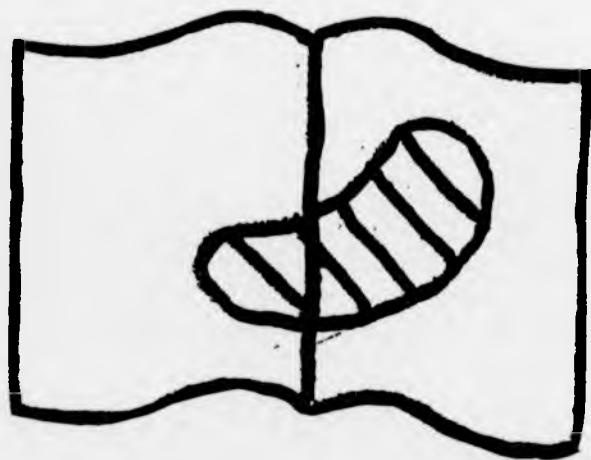
CONTENTS

ABBREVIATIONS

ADB	Asian Development Bank
AFTA	ASEAN Free Trade Area
APEC	Asia-Pacific Economic Cooperation
ARF	ASEAN Regional Forum
ARATS	Association for Relations Across the Taiwan Straits
ASA	Association of Southeast Asia
ASEAN	Association of Southeast Asian Nations
ASEAN-PMC	ASEAN Post-Ministerial Conference
CBMs	Confidence-Building Measures
CSCAP	Conference on Security Cooperation in the Asia Pacific
CSCE	Conference on Security and Cooperation in Europe
CCP	Chinese Communist Party
EAEC	East Asian Economic Caucus
EAEG	East Asian Economic Group
EC	European Community
EEZs	Exclusive Economic Zones
EU	European Union
FDI	Foreign Direct Investment
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
IMF	International Monetary Fun
KMT	Kuomintang (Nationalist Party)

MAC	Mainland Affairs Council
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
NICs	Newly Industrialising Countries
NIEs	Newly Industrialising Economies
PLA	People's Liberation Army
PRC	People's Republic of China
ROC	Republic of China
SEATO	South East Asia Treaty Organization
SEF	Straits Exchange Foundation
TRA	Taiwan Relations Act
UN	United Nations
UNCLOS	UN Conventional Law of the Sea
WTO	World Trade Organization
ZOPFAN	Zone of Peace, Freedom, and Neutrality

Acknowledgements

I should like to express my gratitude to the following people for helping me in one way or another in the preparation of this thesis: Stephen Chang, Jason Chou, William Tsai, and Michael Liao. Special thanks are due to my supervisor Professor Richard Higgott for all his help and support during my time at Warwick University. The thesis would otherwise have been much poorer without him.

Thanks are also given to the Institute of Southeast Asian Studies (ISEAS) during my field study at the National University of Singapore. Finally, I owe a debt of gratitude to the National Defence University and the Ministry of National Defence of the Republic of China for all their financial assistance.

Declaration

I certify that all materials have been properly identified and that no portion of this thesis has been submitted in support of an application for another degree or qualification in this or any other university or other institution of learning

Summary

In different ways both academics and politicians are asking similar questions about the future of the Asia-Pacific: Does it still make sense to talk of narchy" and egemony" a time when co-operative systems are developing? What are the implications in any such trends led by a group of small states, especially those of ASEAN if these are stable states with complementary assets and interests and legitimate governments committed to economic development? International relations theory, especially in the security field, is built on a narrower empirical foundation. Some of the traditional theories (realism) make a universal claim that power is both the means and end of international politics. Others address questions relevant only to the Great Powers. Other theory, such as neo-liberalism, argues that International co-operation, meaning co-ordinated and joint initiatives between actors, has the potential to provide a new basis for international security. To illustrate the range of security and economic interactions in the Asia-Pacific region, this thesis examines the causal influence of the various interactions between economics and security in the region in general, and on ASEAN and Taiwan co-operation in particular.

This thesis therefore seeks to highlight some of the important issues concerning international co-operation between weak states in a debate of both theoretical and practical significance. Furthermore, expanding the case of ASEAN-Taiwan co-operation in the Asia-Pacific context helps to provide an analysis of the independent and dependent variables, and allows for greater generalisability of results. However, since mid-1997, the ASEAN system in Southeast Asia, which used to be characterised as the most co-operative and highly developed regional system and was very valuable for theory-building and testing, has become less certain as the Asian economic crisis has weakened its spirit of co-operation. Does it signal the impractical concept of egional solutions to regional problems"? Or does it mark the beginning of egional awareness" that draws regional states together? The answer still depends heavily on the policies and initiatives of major individual players in international co-operation.

INTRODUCTION

Co-operation is, in many respects, the neglected other side of the coin of conflict. In a non-Western regional context like the Asia-Pacific, little consideration has been historically given to the subject of international co-operation. Although many scholars have noted that international relations is not a zero-sum game, thus implying that there are certain elements of co-operation in international relations, they tend to emphasise the conflictual aspects and ignore the actual or potential co-operative dimensions of international relations, as expressed, for example, in co-operative solutions to political conflict and security problems, political co-operation through economic interdependence, and co-operative approaches to international security. Thus it is important to study co-operation because it can provide a valuable alternative to the present conflict orientation of international studies. In addition, it should also be stressed that it is essential to study international co-operation because it can be a valuable mechanism through which the world can deal with major problems and issues that transcend any one nation state or bloc of nations. In this respect, international co-operation provides both a means to address global problems and a process for changing attitudes toward other states.

Most of the dominant theoretical approaches to international co-operation lead towards liberalism. Co-operation theory has become one of the three most prominent theoretical approaches to international political economy, together with functionalism and transnationalism.[1] The realist approach to international political economy focuses mainly on how national power has shaped the relations among specific states and how the distribution of power has determined the shape of the international system. This is not to

---

[1] Stephen Krasner, "The Accomplishments of International Political Economy," in Steve Smith, Ken Booth and Marysia Zalewski, eds., *International Theory: Positivism and Beyond* (Cambridge: Cambridge University Press, 1996), pp. 110-114.

suggest that realists care little about international co-operation. Indeed, they do believe that

international co-operation is possible. In some circumstances, realism may generate co-

operation more effectively than liberalism. For example, the balance of power idea needs

more sophisticated policies to co-operate with alliances, and a hegemonic stability approach

could encourage co-operation in an international order in which violence could be reduced

and prosperity could be increased.[2] But neo-realists tend to argue that international co-

operation is harder to achieve and more difficult to maintain because of structural

constraints. In view of the attention to relative power that the anarchical system forces on

states, it is possible but very difficult for states to engage in co-operation.[3] In other words,

anarchy discourages co-operation because it requires states to worry about the relative gains

through co-operation with others and the possibility that adversaries will cheat on

agreements.

In the case of the Asia-Pacific region, the history of international co-operation is not

strong, but there is evidence of significant improvement. The recent Asian economic crisis

may have set the co-operative process back, but it is necessary to look the co-operative

process as a longer term. Interestingly, its primitive model of international co-operation is

based on a group of small states without leadership. More importantly, their "collective

self-reliance" has become a prototype for the incoming regional institutions to follow suit.

In this regard, the aim of this thesis is to examine whether international co-operation is

possible between actors without a hegemon. The central argument is that that international

---

[2] See, for example, Robert Keohane, *After Hegemony: Co-operation and Discord in the World Political Economy* (New Jersey: Princeton University Press, 1984), pp. 32-46.
[3] See, for example, Kenneth N. Waltz, *Theory of International Politics* (New York: McGraw-Hill, Inc., 1979), pp. 104-7; Joseph M. Grico, "Anarchy and the Limits of Co-operation: A Realist Critique of the Newest Liberal Institutionalism," *International Security*, Vol. 42, No. 3 (Summer 1988), pp. 498-500; Jack L. Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca, N.Y.: Cornell University Press, 1991), pp. 10-13.

co-operation is dependent on actors' interests and not on hegemons. In some cases, international co-operation emerges between actors, and this may increase mutual gains. In other cases, international co-operation may emerge between adversaries, but when threats increase, the dynamics of co-operation diminishes. Therefore, this research seeks to transcend both the realist and liberal impasses about international co-operation. It offers a broader view to develop an in-depth understanding of international co-operation within the Asia-Pacific region in general, and of Taiwan-ASEAN co-operation in particular, through an examination of both the dynamics of economic co-operation and the possible effects on regional stability of Taiwan-ASEAN relations. It also argues that identities are dependent on interests. By exploring issues of identity and interest bracketed by neo-realism and neo-liberalism, it is hoped to show that a more sociological approach can lead to new interpretations of international politics.

MAJOR APPROACHES OF THE THESIS

This thesis engages with two levels of analysis: One is the unit level—Taiwan. The other is the system level—ASEAN. The thesis will discuss these two levels individually and will then explore how they mutually interact. Two major approaches, in this regard, are used to highlight the study of this thesis. One is rational choice, the other functional co-operation. Each has its virtues and limitations. Generally, two powerful analytic techniques, game theory and rational choice, are viewed as the basis of co-operation theory and can be used to examine many different issues. Game theory helps to explain preferences in a two persons pay-off matrix as an explanation of how more co-operative behaviour can be induced. It is based upon a realist perspective. Both realist and liberal theories share a commitment to rationalism, a meta-theoretical tenet which portrays states as self-interested, goal-seeking

actors whose behaviour can be accounted for in terms of the maximisation of individual utility. Hence, actors are said to be rational.[4] However, for both realists and liberals the most important source of uncertainty in international co-operation, as noted above, is international anarchy. Indeed, if we were to assume that all actors or human behaviours are fundamentally absurd or neurotic, then there would be no theory at all, either of games or any other social phenomena.

From the perspective of a rationalist approach, the assumption that players' preferences are fairly stable and that all players are eager to "win" motivates the rules of theory construction. Because individuals behave rationally, there will be no "zero-sum games," and mutual co-operation for common interests can thus be reached.[5] Consequently, rules and norms will soon become guidance devices which are designed to simplify choices and direct a decision-maker to make a rational choice. In this sense, it is useful to take such an approach as a point of departure. Through close interactions between individuals, a collective behaviour without explicit attention would be paid to the problems that occur at various levels. Hence the rational choice approach can be seen as a "goal-directed choice theory."[6]

The rational choice approach has many uses and virtues, but critics cast doubt on the approach's relevance to the real world, which is said to be too complex and too dynamic to be understood in terms of such a simplified model. Duncan Snidal, for example, argues that if actors in the system change their preferences too soon, the explanation would degenerate into fluctuations in preferences. Then the approach would fail to proceed any further. In

---

[4] See, for example, Steven Smith, Ken Booth and Marysia Zalewski, eds., *International Theory: Positivism and Beyond* (Cambridge: Cambridge University Press, 1996), pp. 138-140. Also in James N. Rosenau and Mary Durfee, *Thinking Theory Thoroughly* (Boulder: Westview Press, 1995), pp. 11-13.
[5] Ibid.
[6] Martin Hollis and Steven Smith, *Explaining and Understanding International Relations* (Oxford: Oxford University Press, 1990), pp. 144-49.

4

this respect, the purpose of rational choice theory is to discourage all too easy, and therefore empty, explanations of social behaviour.[7]   Furthermore, although the rational choice approach makes assumptions about the content of interests, they are typically seen material by as power or wealth.   When confronted with various options, the state (agent) picks the one that best serves its objectives and interests.   Under such circumstances, norms and social structures can constrain the choices and behaviour of self-interested states, which operate according to a logic of consequences.[8]   Apart from this, the approach is not designed to explain identities and interests, the reproduction and transformation of which is a key determinant of structural change.   For that reason, the rational choice approach is at best heuristic and at worse reductionist.

Despite all this, Robert Axelrod argues that "the real advantage of the rational-choice assumption is that it often allows deduction," but that it is inappropriate to use the rational choice approach by itself. Moreover, the approach is basically designed to provide advice for decision-making by informing decision-makers of what they ought to do in order to achieve their objectives and prescribing strategies to accomplish what is maximally possible in a given situation.[9]

Another major approach used in this thesis is functionalism.   System-level theories of international relations, much favoured in the discipline, are essentially of two sorts.   One is structural, the other functional.   Functional approaches have been concerned largely with such factors as spillover.   Two types of spillover, according to Linda Cornett and James A. Caporaso, appear in functionalist theory.   The first is integration, which transmits from

[7] Duncan Snidal, "The Game Theory of International Politics," in Kenneth A. Oye, ed., *Co-operation Under Anarchy* (New Jersey, N. Y.: Princeton University Press, 1986), pp. 25-57.
[8] See, for example, Donald Green and Ian Shapiro, *Pathologies of Rational Choice Theory: A Critique of Applications in Political Science* (New Haven: Yale University Press, 1994), chap. 2. Also in James Morrow, *Game Theory for Political Scientists* (Princeton: Princeton University Press, 1994), chap. 2.

sector to sector. The second consists of a movement from economic issues to political ones. In contrast to neo-realism, in which anarchy is fundamentally a given and the goal of survival is to a large extent implied by anarchy, functionalism sees anarchy as problematic and attempts to make variable. Rather than addressing the immediate sources of national insecurity, the functionalist approach calls for transnational co-operation in technical areas, primarily social and economic, as a first step. Then, habits of co-operation learned in one technical area will spill over into others. Functionalism, in this regard, can be seen both as an analysis and a prescription.[10] Western Europe is the pre-eminent example of the application of functionalist principles to the development of an integrated community.

Again, a functionalist approach has its limits. As a theory of peace and world order, functionalism does not take into account some important political realities. In particular, functional undertakings and political affairs can not be separated completely, and the solution of economic and social problems can not be divorced from political considerations. Most importantly, whether the authority and competence of transnational institutions can readily be expanded at the expense of national governments is, therefore, highly contentious. In other words, "spillover" is but one possible variety of expansion or growth during international integration.

In view of this, any observation is basically preceded by a question, a problem, something theoretical, that carries expectations. But this is not to suggest that all knowledge is subject to bias regardless of the difference between facts and hypotheses. Rather, it is to suggest that all knowledge is based upon both subjective confidence and objective truth, despite the fact that some conclusions or inferences from "evidence" most often than not go beyond the

[9] Robert Axelrod, *The Complexity of Co-operation: Agent-Based Models of Competition and Collaboration* (New Jersey, N. Y.: Princeton University Press, 1997), p. 4.
[10] Linda Cornett and James A. Caporaso, "'And Still It Moves!' State Interests And Social Forces in the European Community," in James N. Rosenau and Ernest-Otto Czempiel, eds.,

information given. Thus, the environment does not instruct policy-makers, it challenges them. The implication, accordingly, is that theories are crucial and necessary for learning. And in any social context, consensus over theories is also important because knowledge, if it is subject to bias, is not a sufficient condition for learning.

THE STRUCTURE OF THE THESIS

The thesis is divided into two main parts. The first part (Chapters One to Four) introduces several theoretical debates in international relations and the philosophical considerations which bear on them. Chapter One begins by looking at the theoretical debates between realism (neo-realism) and liberalism (neo-liberalism). Since it is impossible to cover every unfolding theoretical debate, the analysis focuses selectively on what are arguably the most vital subjects, especially international anarchy, the security dilemma, the balance of power and international co-operation. Chapter Two defines the meaning of region in this thesis. Although a more common definition of the Asia-Pacific region includes the states of North America, Australasia, Northeast and Southeast Asia, the region may be a multiple understanding defined somewhat narrowly by regional and external powers. Furthermore, we need to ask: Is the region in transition? If so, to what extent has it been transformed? Or, is it only a continuity of the legacy of the Cold War? Extensive investigation is made into different components of the region to which co-operation might apply, APEC and EAEC for example, and the emphasis is on the degree of economic cohesion of the region as a major factor in any attempt to consider international co-operation.

Chapter Three examines the ASEAN phenomenon. It is argued that ASEAN has proved to be an unique but successful example of co-operation for confidence-building among

Governance Without Government: Order and Change in World Politics (Cambridge:

governments with a corresponding political outlook in the Third World, particularly within regions where disputes among regional states remain unresolved. However, the recent economic crisis and the aspiration for enlargement of ASEAN have weakened member states' spirit of co-operation. The thesis therefore considers the questions: What are the major characteristics of ASEAN? What are the implications of ASEAN achievement in the security sphere? Is it a security community, or just an intra-mural security regime based on a set of international norms? And what are the major challenges to ASEAN? Chapter Four looks at the ASEAN-centred ARF. As a multilateral security forum intended to cope with the uncertainties of the post-Cold War era, the ARF is based in practice on ASEAN-style consensus. It started without any grand design and its purpose was stated ambiguously. However, three stages—confidence-building, preventive diplomacy and conflict resolution—were agreed in the second session in 1995. As a form of multilateral security dialogue, it is argued that the ARF has a remit for regional problem solving. However, so far, the major regional security concerns—the Korean Peninsula, Taiwan and the South China Sea—have not been addressed in the Forum. There are undeniably a lot of constraints on the activities of the ARF. In particular, this thesis discusses the questions: Is the ARF an appropriate venue for regional states to address their security concerns? Or is it the product of power struggle among major powers? Should the ARF give way to the Asian or Asia-Pacific Forum?

The second part of the thesis consists of Chapters Five and Six. Chapter Five examines the role of a state actor, Taiwan. Richard Rosencrance once wrote that a trading world in which trading states were able to do better through a strategy of economic development than powers could achieve more than through the old strategies of military power and intervention. He suggested that through mechanisms of industrial-technological

Cambridge University Press, 1992), pp. 236-43.

8

development and international trade, states could transform their positions in international politics and win new rewards in an interdependent world. If military power remains a key concept in this world, so too are things like foreign trade and economic management.[11] Taiwan role, in a sense, reflects such a reality even though the country lacks universal diplomatic recognition. This chapter starts by considering Taiwan's role in terms of theoretical legitimisation and international political reality, and goes on to discuss the intense contradictions in Taiwan's relations with its adversary—mainland China before analysing Taiwan-US-PRC triangular interactions. The use of a rational choice approach is focused on how Taiwan's political and economic transformation, which is identified as an independent factor, has accelerated its search for international co-operation. In this regard, Taiwan's prospects in the future, especially its relationship with the PRC, will depend more on economic than military capabilities. Chapter Six offers an analysis of how the economic dynamics of international co-operation between actors can spill over to politically related areas and can thus produce national and regional stability. The key issues here are: What will be the likely impact of the PRC factor on Taiwan-ASEAN co-operation? Can ASEAN balance its policies towards Taipei and Beijing? How has the recent economic crisis drawn ASEAN, Taiwan and regional states together?

The conclusion provides a summary of the preceding chapters' main arguments. It suggests that Western viewpoints on international co-operation are largely applicable to the non-western world, though it is not necessary to accept them all. Furthermore, it seeks to show that if states extend their positive identification with the welfare of others, then the dynamics of collective interests and identity may ensue. Accordingly, if "anarchy is what

---

[11] Richard Rosencrance, *The Rise of the Trading State* (New York: Basic Books Inc, 1986), ch. 1.

9

states make of it,"[12] as Alexander Wendt argues, then regional co-operation in the Asia-Pacific "can be what the states of the region may make of it." From the perspective of Taiwan-ASEAN co-operation, what is not clear is whether their economic relations will be seen as an important pillar for maintaining regional stability in general, and as an intermediary between Taipei and Beijing in particular. But what is clear is that continuous economic co-operation between the two states is certainly in their mutual interests.

Furthermore, it is noteworthy that as the economic crisis in Asia has occurred quickly and with little warning, the political as well as social stability of Thailand, Indonesia, Malaysia, the Philippines and South Korea have become a major issue of concern in the region. The international credibility of ASEAN would inevitably be undermined if its spirit of co-operation drained away under the impact of economic adversity, membership enlargement and increasing bilateral tensions between its members. Although the strategic implications of the crisis are far from clear, the underpinning of regional cohesion seems to favour two regional powers, the PRC and Japan in particular, as well as the US. And whether the idea "regional solutions to regional problems," which once prevailed in the region, is more an Asian myth or an aspiration remains to be seen.

---

[12] Alexander Wendt, "Anarchy Is What States Make of It: The Social Construction of Power Politics," *International Organization*, Vol. 46, No. 2 (1992), pp. 395-421.

CHAPTER 1

AN ANALYSIS OF CONTENDING THEORIES

Just as the Cold War had obvious and profound impacts on the academic field of international politics, so did the end of it. From an historical point of view, it is premature to speculate about what these latter impacts will be, but international relations theory must be constantly ready to be puzzled by international phenomena which have arisen in the years immediately following the end of the Cold War. As Bruce Russett has pointed out, "social scientists sometimes create reality as well as analyse it."[1]

Accordingly, an analysis of contemporary international relations theory focussing on major conceptual debates is not to suggest that this prism is adequate for capturing all the controversies in recent theoretical discourse. It is merely meant as a way to capture the key cleavages and to highlight common concerns and issues. In order to make the relevance of these theoretical movements to real-world events clear, we need to look briefly at the thinking that now motivates the diversity of opinion about realism paradigm and its critique.

1. 1 THE CONCEPT OF INTERNATIONAL ANARCHY

Undoubtedly, the most contentious aspect of the definition of the term "international system" is the notion of control over the system. A prevalent realist paradigm among

---

[1] Bruce Russett, "Can a Democratic Peace Be Built?" *International Interactions*, Vol. 18, No. 3 (1993), p. 280.

scholars of political science is that the essence of international relations is precisely the absence of control. In contrast to domestic politics, international politics is said to operate in a condition of anarchy: there is no government and legitimate authority to regulate the behaviour of the actors, and no underlying consensus among members of the international system on acceptable goals or even, on occasion, on how disagreements should be resolved. Power competition (struggle) thus becomes a normal phenomenon in contemporary international politics, and the existence and destiny of states are deeply affected by their own means rather than by international policies.[2] In other words, states have a very high degree of autonomy in their international relations in that they accept very few international obligations in either conventional or customary law. Most significantly, the international system comes into existence when states start to coact, and international anarchy becomes inevitable because self-interest is the principal force shaping the actions of states.[1] Therefore, not only are states sovereign, but they also maintain a high degree of policy autonomy by not enmeshing themselves in a large number of international regimes, especially not in a regime that restricts their ability to use military force.

Kenneth Waltz's *Theory of International Politics*, the most prominent effort to develop a model of "structural" realism, has tended to define the structure of the contemporary international political system by raising three propositions: the system is anarchic and decentralised rather than hierarchical; the system is composed of similar sovereign units, and there is a distribution of capabilities among units in the system;

[2] Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, revised by Kenneth W. Thompson (New York: McGraw-Hill, Inc. brief ed., 1985), part two; E. H. Carr, *The Twenty Years' Crisis 1919-1939: An Introduction to the Study of International Relations* (London: Macmillan Press, 1939), pp. 97-106.
[3] Stanley Hoffmann, *The State of War: Essays in the Theory and Practice of International Politics* (New York: Praeger, 1965), pp. 54-87. See also Martin Wight, *Power Politics* (Harmondsworth: Penguin Books, 2nd ed.,1986), pp. 100-104.

and the structure of the system changes with changes in the distribution of capabilities across the system units.[4] For Waltz, the structure of the international system is very different from the structure of the domestic political system. In the domestic system, the organising principle is hierarchy; while in the international system the operative principle is anarchy. Accordingly, Watt's observation is that "the texture of international politics remains highly constant, patterns recur, and events repeat themselves endlessly." He then predicts that the end of bipolarity will lead to a further repetition of the patterns of competition, and that the basic structure of world politics still remains anarchic.[5]

Hedley Bull also assumes that the international structure is fundamentally anarchic, but he has argued that the stark dichotomisation of organising principles between hierarchy and anarchy oversimplifies, and thus can not sufficiently characterise the international system or explain its dynamics. In a society of states, he acknowledges, members do develop institutions and procedures not found in a system of states to manage or resolve conflicts among themselves, although both a system of states and a society of states are structurally anarchic.[6]

Robert Gilpin also regards himself as a realist, but he has different views from Waltz as he himself explains: "Waltz starts with the international system and its structural features in order to explain aspects of the behaviour of individual states. I start with individual state actors and seek to explain the emergence and change of international systems."[7] In his book *War and Change in World Politics* Gilpin, unlike Waltz,

---

[4] Kenneth N. Waltz, *Theory of International Politics*, pp. 79-101.

[5] Ibid., p. 66. See also in Kenneth N. Waltz, "The Emerging Structure of International Politics," *International Security*, Vol. 18, No. 2 (Fall 1993),pp. 44-79.

[6] Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (London: Macmillan Press, 2nd ed., 1995), pp. 44-50 and ch. 3.

[7] Robert Gilpin, "The Richness of the Tradition of Political Realism," *International Organisation*, Vol. 38, No. 2 (Spring 1984), p. 288.

stresses the high levels of technological development and economic interdependence among states which have had a remarkable impact on states' behaviour. But he insists that the nature of international relations still remains unchanged, and that "the past is not merely prologue and that the present does not have a monopoly on the truth, we have drawn on historical experience and insights of numerous earlier writers."[8]

Barry Buzan holds the same view as Waltz in terms of the core assumptions of modern realism, but his study *People, States and Fear* also attempts to cope with some of the criticisms levelled at Waltz's theory by focusing on the dynamics of system change. Buzan argues that an increasingly interdependent global market economy has contributed to the movement towards what he terms "mature anarchy", a more stable form of international anarchy which reflects a decline in military conflict as the system progresses and an increase in economic well-being as the world economy becomes more interdependent. However, Buzan indicates that states will be severely penalised by loss of their independence, or probably by their loss of existence, if they fail to protect their own vital interests.[9]

John J. Mearsheimer, another pessimistic realist, argues against any possibility of international peace. He maintains that the major problem of international politics is its anarchic nature, in which all states will seek to maximise their power in order to survive. From an historical point of view, Mearsheimer believes that a multipolar system war is more likely than a bipolar system. First, the number of conflicts is likely to increase because the existence of more than three major powers makes co-ordination

---

[8] Robert Gilpin, *War and Change in World Politics* (Cambridge: Cambridge University Press, 1981), pp. 211-215.

[9] Barry Buzan, *People, States and Fear: An Agenda for International Security Studies in the post-Cold War Era* (New York: Harvester Wheatsheaf, 2nd ed., 1991), pp. 174-181, 261-298. See also Barry Buzan, Charles Jones and Richard Little, *The Logic of Anarchy: Neorealism to Structural Realism* (New York: Columbia University Press, 1993), Ch. 9.

14

difficult. Second, war is more likely because states overestimate the number of allies who will support them in case of rivalry. Third, the ambiguities of international order under multipolarity may cause a state to miscalculate the willingness of an old-timed opponent. It is, accordingly, his observation that post-Cold War international politics will be "back to the future," and a bipolar system is superior to a multipolar system.[10]

In short, the core belief of realism is that the basic structure and dynamics of international relations have remained unchanged through historical experiences. Four assumptions, hence, are encompassed. First, states are the only major actors in world politics, and the propensity for power will be the inevitable consequence of anarchy he absence of central authority over governments. Second, international anarchy is the principal force shaping the motives and actions of states. Third, in anarchy states, like human beings, are incapable of learning, and there is no potential for improvement. Fourth, war is the ultimate arbiter of conflicts of interest, and, in the final analysis, self-help is the only reliable strategy for survival. All the above represents, in Buzan term, the timeless wisdom of realism,[11] even if, as liberals contend, this wisdom necessarily falls short of accurate prediction.

Contrary to past trends in thinking about international politics, a primary generator of mutual interests and co-operation among states may now be economic, as well as security, interdependence. Unlike the expectations generated by power competition and international anarchy, institutionalists accept realism and so-called neo-realism's emphasis on anarchy, state interests, and power, but seek to introduce an institutional component to systemic-level analysis. Without questioning the anarchic character of international relations, they seek to understand and explain how the spread of

---

[10] John J. Mearsheimer, "Back to the Future: Instability in Europe After the Cold War," *International Security*, Vol. 15, No. 1 (Summer 1990), pp. 14-18.

information, norms and rules may change international relations.[12] Advocates of this approach maintain that variations in global institutions provide incremental explanatory power for understanding interstate behaviour. Although most scholars agree that realism accounted for these phenomena (the lust for power, struggle for hegemony, a pervasive arms race, and obsession with military security) better than did any other theoretical perspective, some still argue that the demise of bipolarity utterly confounded realism's expectations and called into question its understanding of the post-Cold War world. A traditional version of realism's history-oriented empiricism also gives rise to the question of its validity in predicting the future world. More importantly, the overall framework that realists offer provides little guidance for the future.[13]

In Robert Keohane's view, anarchy implies a lack of patterned rule, a tendency for actors to go their own separate ways without regard for common principles, norms, rules and procedures. Keohane shares realism's assumption that states are rational egoists, but he argues that co-operation is consistent with the principles of sovereignty and self-help. This is because,

[11] Barry Buzan, "The timeless wisdom of realism?" Smith, Booth and Zalewski, eds., pp. 47-63.

[12] Kenneth A. Oye, "Explaining Co-operation under Anarchy: Hypotheses and Strategies," in Kenneth A. Oye, *Co-operation Under Anarchy* (New Jersey: Princeton University Press), pp. 1-24.

[13] R. B. J. Walker, *Inside/Outside: International Relations as Political Theory* (Cambridge: Cambridge University Press, 1993), pp. 104-124; Ken Booth, "Dare not to Know: International Relations Theory versus the Future," in Ken Booth and Steve Smith, eds., *International Relations Theory Today* (Cambridge: Polity Press, 1995), pp. 328-349; Charles W. Kegley, Jr., "The Neoidealist Moment in International Studies? Realist Myths and the New International Realities," *International Studies Quarterly*, Vol. 37, 1993, pp. 132-148; Michael Banks, "The International Relations Discipline: Asset or Liability for Conflict Resolution?" in Edward E. Azar and John W. Burton, eds., *International Conflict Resolution* (Boulder CO: Lynne Rienner, 1986), pp. 5-27; John Gerard Ruggie, "The False Premise of Realism," *International Security*, Vol. 20, No. 1 (Summer 1995), pp. 62-70.

> . . . If the egoists monitor each other's behaviour and if enough of them are
> willing to cooperate on condition that others cooperate as well, they may be
> able to adjust their behaviour to reduce discord. They may even create and
> maintain principles, norms, rules and procedures   institutions referred to in
> this book as regimes. . . Properly designed institutions can help egoists to
> cooperate even in the absence of a hegemonic power.[14]

Therefore, in Keohane's view, realists failed to understand the extent to which states might see their interests served by pooling their sovereignty and voluntarily integrating their economies. Western Europe provides a good example that reduces confidence in some realists' argument that competition will always supersede co-operation in an anarchic system.[15] Robert Axelrod bases his view of international co-operation on the assumption that states which pursue their own interests may nevertheless work together. "despite the reality of anarchy," he contends, "beneficial forms of international co-operation can be promoted."[16]

John G. Ruggie, another challenger of realism, claims that realism failed to consider the shift from medieval international society to the modern system of states, which was a transition between different types of international anarchy in which membership of a wider Christian society was replaced by the divisive principles of sovereignty and territoriality. He thus criticises realist theory as offering only "a reproductive logic, but no transformational logic."[17] Meanwhile, Ruggie presents important elements of the institutionalist challenge to realism by maintaining that multilateral norms and

---

[14] Robert O. Keohane, *After Hegemony: Co-operation and Discord in the World Political Economy*, p. 84. See also Robert O. Keohane, "Reciprocity in international relations," *International Organisation*, Vol. 40, No. 1 (Winter 1986), pp. 1-27.
[15] Robert O. Keohane, "Institutional Theory and the Realist Challenge after the Cold War," David A. Baldwin, ed., *Neorealism and Neoliberalism: the Contemporary Debate* (New York: Columbia University Press, 1993), pp. 269-273.
[16] Robert Axelrod and Robert O. Keohane, "Achieving Co-operation under Anarchy: Strategies and Institutions," *World Politics*, Vol. 38, No. 2 (October 1985), pp. 252-254.

17

institutions will minimise misperceptions and miscalculations between states, and that such norms and institutions may improve regional as well as global stability; furthermore, they appear to play a significant role in the world system today.[18] In his essay "The Poverty of Neorealism" Richard K. Ashley argues against neo-realism's "scientific" approach by pointing out that it fails to understand the limits of power and "thereby deprives political interaction of those practical capacities which make social learning and creative change possible."[19] Indeed, "international affairs", as Brian Barry has stressed, "are not a pure anarchy in which nobody has any reason for expecting reciprocal relations to hold up. In economic matters, particularly, there is a good deal of room for stable expectations."[20]

In sum, for some analysts, anarchy has neither good nor bad connotations. Nor does it necessarily imply that the prevailing global order is marked by pervasive disarray and commotion. Rather, anarchy is employed simply as a descriptive term for the lack of centralised authority that stands over national governments and has the capacity, including the use of force if necessary, to direct their conduct. For realists, anarchy means a lack of common principles and rules; but for the challengers, such an implication seems highly questionable. As one scholar puts it, noting the authority that attaches to many treaties, international legal precedents, and international organisations, "the international system is several steps beyond anarchy."[21]

---

[17] John G. Ruggie," Continuity and Transformation in the World Polity: Toward a Neorealist Synthesis," *World Politics*, Vol. xxxv, No. 2 (January 1983), pp. 261-285.
[18] John G. Ruggie, "Multilateralism: the Anatomy of an Institution," *International Organisation*, Vol. 46, No. 3 (Summer 1992), pp. 561-562.
[19] Richard K. Ashley, "The Poverty of Neorealism," *International Organisation*, Vol. 38, No. 2 (Spring 1984), pp. 226-233.
[20] Brian Barry, "Do Countries Have Moral Obligations? The Case of World Poverty," in Sterling McMurrin, ed., *The Tanner Lectures on Human Values*, Vol. II (Salt Lake City: University of Utah Press, 1981), p. 30.
[21] Robert C. North, *War, Survival: Global Politics and Conceptual Synthesis* (Boulder, CO: Westview Press, 1990), p. 136.

1. 2 THE NATURE OF THE SECURITY DILEMMA

For several decades, the dominant realist paradigm largely silenced the post-national security views expressed in E. H. Carr's work, *Twenty Years' Crisis,* has been cited frequently to reinforce realism's world view. For realists, the meaning of security was subsumed under the rubric of power. Conceptually, it was synonymous with the security of the state against external dangers, which was to be achieved by increasing military capabilities. This focus on a state-centric definition of security grew out of realist assumptions of a sharp boundary between domestic "order" and international "anarchy". As Waltz puts it, "the state of nature is a state of war."[22] Given the lack of an international authority with the power to curb states' aggressive ambitions, states must rely on their own capabilities for the achievement of security. As realists have acknowledged, this self-help system often results in what they describe as a "security dilemma": what are justified by one state as legitimate security-enhancing measures are likely to be perceived by others as a threatening military build-up.[23] This action-reaction phenomenon can be conceptualised as an escalation of negative leverages applied by two or more adversaries in a conflict situation in which each side's field expectation changes with the leverages applied at each step of escalation, and each sid's expectations and intents are not fully known to the other. Logically, under such

---

[22] Waltz, *Theory of International Politics*, p. 102.

[23] John H. Herz, *Political Realism and Political Idealism* (Chicago: University of Chicago Press, 1959), p. 4; Barry Buzan, *An Introduction to Strategic Studies: Military Technology and International Relations* (London: Macmillan, 1987), pp. 77-79; Richard Smoke, "National Security Affairs," in F. Greenstein and N. Polsby, eds., *Handbook of Political Science* (Reading, Mass: Addison-Wesley, 1975), Vol. 8, pp. 247-362; M. D. Wallace, "Arms Race and Escalation: Some New Evidence", in J. D. Singer, ed., *In Explaining War: Selected Papers from the Correlates of War Project*

circumstances, it is possible that this process provides the dominant explanation of an arms race at one stage, whereas such a development might be regarded as an escalation to war at some other stage.

For realists, the security dilemma proposition is essential for the notion that the conflictual nature of international politics is due to the anarchic features of the international system. As a result, two assumptions may be seen to comprise the security dilemma. First, because the international system is anarchic, the governments of adversarial states are compelled to choose between abstaining from protecting themselves properly against an existing threat and taking measures likely to provoke an increased threat. Second, in security dilemmas, governments are convinced that it is better to be safe than sorry, and they put protection against immediate threats before avoiding the provocation of future ones; when compelled to choose, they prefer deterrence to detente. Further, each increment in a major state's military industry or armed might in response to perceived threats always engenders a heightened threat to any potential adversary. Hence, any one state's efforts to gain "absolute security", in Henry Kissinger's view, will lead to other states' perception of their absolute insecurity.[24]

Since, by definition, there is no way for states to escape this dilemma, an increase in one state's security decreases the security of others. The assumption about the nature of the security-seeking nature of states is "based on the fact that threats, and preparations to meet them, are interrelated in unpredictable and contradictory ways."[25]

(Beverly Hill, CA: Sage, 1979), p. 242; Robert C. North, *War, Peace, Survival: Global Politics and Conceptual Synthesis* (Oxford: Westview Press, 1990), pp. 239-242.
[24] Henry A. Kissinger, *A World Restored: The Politics of Conservatism in a Revolutionary Age* (Boston: Houghton Mifflin, 1957), pp. 144-145.
[25] Michael Mandelbaum, *The Fate of Nations: The Search for National Security in the Nineteenth and Twentieth Centuries* (Cambridge: Cambridge University Press, 2nd ed., 1989), p.255.

20

Nevertheless, to some analysts, the security dilemma is a subjectivistic, and not an objectivistic, concept. Many question the logic that causes states to engage in the behaviour that creates and sustains the security dilemma, arguing that the central issue of international relations is not evil but tragedy. States often share a common interest, but the structure of the situation prevents them from bringing about the mutually desired situation. Robert Jervis has described this syndrome as the "spiral model", and the most vicious form of it is "when commitments, strategy, or technology dictate that the only route to security lies through expansion." The virulence of the security dilemma is influenced by whether offensive weapons and strategies can be distinguished from defensive ones, and whether the offence is more potent than the defence.[26] Jervis, however, believes that mutual security is possible if defensive policies are more effective than offensive ones. When offensive policies escalate to a very costly war, it is rational for states to cooperate with others in order to avoid the risk.

To escape this predicament, some scholars call for changes in customary approaches to the problem of the security dilemma. In their book *Transnational Relations and World Politics*, Joseph S. Nye and Robert O. Keohane put forward the same view as Jervis by stressing that it is obviously true that states are likely to prepare for confrontation, but they argue that even if states win the confrontations with others, the winning may be costly, and "trasnational relations may help to increase these costs and thus increase the constraints on state autonomy."[27] Ken Booth has suggested non-

[26] Robert Jervis, "Cooperation Under the Security Dilemma," *World Politics*, Vol. xxx, No. 2 (January 1978), pp. 186-214. See also Rober Jervis, *Perception and Misperception in World Politics* (New Jersey: Princeton University Press, 1976)
[27] "A Conclusion," Joseph S. Nye, Jr., and Robert O. Keohane, eds., *Transnational Relations and World Politics* (Cambridge: Harvard University Press, 1970), p. 372.

provocative defence as a strategy to mitigate the old problem of the security dilemma

and meet the new needs of security interdependence. According to his observation,

> We can work towards peace based on mutual defensive supremacy. That is,
> we can replace the idea that defence is the best form of security. Non-
> provocative defence seeks to maintain a level of deterrence against aggression
> but to do so in such a way that arms competition would be slowed, crisis
> stability increased, arms reduction encouraged and political accommodation
> improved.[28]

Even so, the irony is, as Glenn H. Snyder argues, that without the desire or intention to

attack another, fear still prevails, since no state can really know where the power

accumulation of others is only defensively motivated, and it is not easy to distinguish

whether weapon systems are for defensive or offensive purposes.[29]

Given the assumption that a security game is indefinitely iterated, some contend that

the traditional version of the security dilemma is too narrow to understand the real

nature and transformation of international relations. Accordingly, the concept of

"security dilemma" explains only the former East-West conflict, and is no longer

sufficient to describe the ongoing co-operative efforts made by the international

community. Besides, it is still highly controversial whether the concept of security is

well-defined, because it has been used in many confusing ways. The term itself is in

general use in international politics and other disciplines, and the dominant concept

refers to *national* security, which has mainly been interpreted in terms of *military*

capability.

---

[28] "Conclusion: War, Security and Strategy: Towards a Doctrine for Stable Peace," Ken
Booth, ed., *New Thinking About Strategy and International Security* (London: Harper
Collins, 1991), p. 368. See also Johan Galtung, "Transarmament: from Offensive to
Defensive Defence," *Journal of Peace Research*, Vol. 21, No. 2 (1984).
[29] Glenn H. Snyder, "The Security Dilemma in Alliance Politics," *World Politics*, Vol.
36, No. 2 (July 1984), pp. 461-495.

In fact, in Arnold Wolfer's words, national security is nothing but an "ambiguous symbol that may not have precise meaning at all."[30] Barry Buzan regards it as an "undeveloped concept" that "has proved too complex to attract analysts, and has therefore been neglected in favour of more tractable concepts."[31] Charles L. Schultze even considers it hard to make a precise formulation since "it deals with a wide variety of risks about whose probabilities we have little knowledge and of contingencies whose nature we can only dimly perceive."[32] If, as argued above, the concept of security is in precise, then one needs to examine cautiously the referent object of the term.

Apart from this, some states pursue their security by confronting adversaries with military build-up; while others seek their security by joining alliances. Some try to be "good neighbours". Whatever strategy states may choose, according to the traditional version of national security, the requirements dictate that states maintain military forces and a large array of weapons systems adequate to the perceived military threat.

This is not necessarily the case, however, for most challengers of realism, who believe that the historical emphasis on military force has contributed to a truncated concept of security. Defining national security merely in military terms, as Richard Ullman argues, conveys a profoundly false image of reality. Most developing states nowadays emphasise the multi-dimesional complexities of the concept, including the economic, social as well as domestic dimensions of security.[33] They also believe that change will take place only if states realise that they will maximise their gains with co-operative, rather than disassociative, strategies, and that the surest route to security for

---

[30] Arnold Wolfers, *Discord and Collaboration: Essays on International Politics* (Baltimore: John Hopkins University Press, 1962), p. 147.
[31] Buzan, *People, States and Fear: An Agenda for International Security Studies in the Post-Cold War Era*, pp. 3-7.
[32] Charles L. Schultz, "The Economic content of National Security Policy," *Foreign Affairs*. Vol. 51, No. 3 (1973), pp. 528-530.

one state is to pursue security for all states. States change their behaviours because they are interdependent in their security affairs, so that the security of one is strongly affected by the actions of the other, and vice versa.[34] This structure has been defined by Keohane as one of complex interdependence.

More significantly, international regimes are said to be the only means of overcoming the security dilemma, and of ensuring that all participants are allowed to confirm their non-hostile intent. This concept implies rules, norms and expectations that not only permit nations to be restrained in their behaviour in the belief that others will reciprocate but also form a co-operation that ignores more than following short-run self-interest.[35]

In short, the evolution of the security paradigm and the changes from "national security" to "international security," each based on distinctive theoretical and political assumptions, are closely linked to the evolution of the international system and the progress of its interpretation. In each phase, one finds competing interpretations (realism vs. its challengers) based on contradictory voices of the nature of man and the behaviour of states. As time advances, historical experience will show which interpretation prevails and why.

1. 3 THE BALANCE OF POWER: A UNIVERSAL LAW?

[33] Richard H. Ullman, "Redefining Security," *International Security*, Vol. 8, No. 1 (Summer 1983), pp. 129-135.
[34] Robert O. Keohane and Joseph S. Nye, *Power and Interdependence: World Politics in Transition* (Boston & Toronto: Little, Brown and Company, 1977), ch. 1.
[35] Stephen D. Krasner, "Regimes and the limits of realism: regimes as autonomous variables", *International Organisation*, Vol. 36, No. 2 (Spring 1982), pp. 185-205. See also Seyom Brown, *International Relations in a Changing Global System: Toward a Theory of the World Polity* (Boulder, CO: Westview Press, 1992), pp. 31-37.

What is the balance of power? What are the necessary conditions for the balance of power? Is the balance of power still a valid design in the modern international community? These questions are pursued across political and military landscapes, and, to a lesser extent, the economic dimension as well. The analysis is accompanied by a persistent attention to the dialectic of the weak and the strong, and the existence of contradictions within and between ideas about power.

According to Hans J. Morgenthau's definition, "the aspiration for power on the part of several nations, each trying either to maintain or overcome the status quo, leads to a configuration that is called the balance of power."[36] Raymond Aron suggests several types of peace defined by the distribution of power in each—equilibrium, hegemony, and empire. He maintains that "security can only be founded on power or on balance of power," for the traditional paradox of international politics implies that "each international unit legitimately suspects the others' intentions."[37] In Quincy Wright's view, the term balance of power is based on the assumption that governments have a tendency to struggle both for an increase of power and for self-preservation. He emphasises that the balance of power "implies that changes in relative political power can be observed and measured."[38] Morton Kaplan proposes a more complex scheme based on six types of system, not all of them anarchies: balance of power, loose bipolar, tight bipolar, unit veto, universal and hierarchic. Of these six systems, the balance of power system receives the most attention. In Kaplan's assumption, the balance of power is not a rule of universal applicability, and it operates only under limited

---

[36] Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, revised by Kenneth W. Thompson, p. 183
[37] Raymond Aron, *Peace and War: A Theory of International Relations*, Translated by Richard Howard and Allnette Baker Fox (Malabar Florida: Doubleday & Company, 1966), pp. 544-545.
[38] Quincy Wright, *A Study of War*, abridged by Louise Leonard Wright (Chicago: The University of Chicago Press, 1964), pp. 116-117.

conditions. Otherwise, the system would be unstable.[39] Henry A. Kissinger believes that a balance of power works best under three conditions: First, states feel free to align themselves with any other states. Second, there are fixed alliances but a balancer sees to it that none of the existing coalitions becomes dominant. Third, the cohesion of alliances is relatively low so that on any given issue there can be compromises or changes in alignment.[40]

In comparison with the structure of anarchy, Kenneth Waltz has explicated the balance of power as a central element in his synthesis, and "if there is any distinctively political theory of international politics, balance of power theory is it." But he considers the distribution of power as the shallowest level of system structure and sees balance of power as "a frightening, sometimes a bewildering, phrase."[41] Similarly, Ernst B. Haas, in the early 1950s, stressed that the term balance of power "is an ambiguous notion used in a variety of ways," for the described system, originating in 1648 at Westphalia, is not isomorphic with the present international system.[42] "The trouble with the balance of power," says Inis L. Clause, Jr., "is not that it has no meaning, but that it has too many meanings." So he warns that the concept of the balance of power is extremely difficult to analyse because those who write about it not only fail to provide accurate clues as to its meaning but often "slide blissfully from one usage of the term to another and back again, frequently without posting any warning

---

[39] For a detailed discussion of Kaplan's concept of six systems see Morton A. Kaplan, *System and Process in International Politics* (New York: John Wily & Sons, Inc., 1957), pp. 21-53; also in Waltz's *Theory of International Politics*, pp. 50-58.
[40] Henry A. Kissing, *Diplomacy* (New York: Simian & Schuster, 1994), p. 182
[41] Kenneth N. Waltz, *Man, the State, and the War: A Theoretical Analysis* (New York: Columbia University Press, 1954/1959), p. 117 & 199; See also in Waltz's *Theory of International Politics*, Ch. 5.
[42] Ernst B. Haas, "The Balance of Power: Prescription, Concept, or Propaganda?" *World Politics*, Vol. 5, No. 3 (July 1953), pp. 442-477.

that plural meanings exist."[43] In Hedley Bull's words, the term balance of power "is notorious for the numerous meanings that may be attached it."[44] However, "it is clear that in contemporary international politics there does exist a balance of power which fulfils the same functions in relation to international order which it has performed in other periods."[45] Thus, according to his observation, the balance of power serves three purposes:

1. To ensure the continued existence of the state system by preventing universal empire through conquest. In other words, no one power can predominate;
2. To assist, at the regional level, in maintaining the independence of states; and
3. To facilitate the growth of law and organisation by providing a kind of enforcement by great powers.[46]

Traditional realists and neo-realists share the same view on the balance of power, but they differ in their views of how much choice states have in achieving balance. Realists see considerable leeway for states; while neo-realists assume that balances arise naturally from the anarchy of the system.[47] In either case, failure to achieve balance seems rare.

Despite all this, at the core of the concept many meanings is the idea that peace can be achieved when military power is distributed so that no one state is strong enough to dominate others. If one state or group of states gains sufficient power to threaten others, compelling incentives exist for those threatened to disregard their superficial differences and unite in a defensive alliance. The accumulation of power from such a

---

[43] Inis L. Claude, Jr., *Power and International Relations* (New York: Random House, 1962), pp. 13-22.
[44] Bull, *An Anarchical Society: A Study of Order in World Politics*, p. 102-112.
[45] Ibid.
[46] Ibid.

coalition would, according to this conception, deter the potential aggressor from pursuing expansionism. Hence, from the laissez-faire competition of predatory and defensive rivals would emerge an equilibrium, a balance of contending parties, that would maintain the status quo.

In other words, according to the balance of power theory, a state's behaviour is determined primarily by its external situation, especially the number of states in the international system and their relative power, rather than by its internal characteristics. The basic assumption of this approach is that states rationally form alliances to protect themselves against powerful, threatening adversaries. By combining their capabilities, alliance members are better able to deter aggression and avoid war. Should the common threat diminish or disappear, the alliance formed to address it is unlikely to endure for long.

In theory, states are rational and self-centred. In order to maintain their security, fluid and rapidly shifting alliances are needed. States also recognise that alliance competition will not automatically achieve equilibrium and that a balance will develop only if they practice certain behaviours. One requirement is that a great power not immediately threatened by the rise of another power or coalition will perform the role of "the balancer" by offsetting the new challenger's power. Great Britain used to play this role in the eighteenth and nineteenth centuries, when it gave its support to one or another coalition to ensure that none of them achieved preponderance. In addition, a successful operation of the balance of power system, according to Morton A. Kaplan and Hedley Bull, assumes that the conditions for its successful operation are as follows: (1) a certain number of independent states to make alliance formation and dissolution

---

[47] James E. Dougherty and Robert L. Pfaltzgraff, Jr., *Contending Theories of International Relations: A Comprehensive Survey* (New York: Harper Collins, 1990), pp. 30-35.

possible; (2) relative equality in states' capabilities; (3) a common political culture in which the rules of the system are recognised and respected; (4) a limited geographic area;[48] and (5) the absence of international or supranational institutions capable of interfering with states' alignments and realignments.

If the assumptions of the balance of power theory indicated above are correct, it is not surprising that the theorists see balance of power behaviour as a central conception of national interest and alliance policy. It is not only inevitable but is an essential stabilising factor in a society of sovereign states. It is less surprising, therefore, that the balance of power theorists regards the end of bipolarity as a return to an environment where conflict is always possible, and the components of power are always present. Without the "tight bipolarity" of the Cold War, realists expect that states will return to a general struggle for power as they pursue national interests.[49] Under such conditions, the balance of power would still work in spite of a world-wide disarmament due to the collapse of bipolarity, because states will continue to relate to each other not through the current basis of military capability but in terms of mobilisation potential.

Yet such assumptions risk invoking a view of history that is deeply at odds with the historical narrative preferred by many political realists. For their challengers, the character of this endurance and continuity, which is also a form of change through time, remains highly debatable. The most visible controversies that have arisen in this context relate to writings expressing such a realist position which are taken to task for

---

[48] Morton A. Kaplan suggests that a stable balance of power system needs at least five great powers or blocs of states; Kaplan, *System and Process in International Politics*, Ch. 2; Bull, *The Anarchical Society: A Study of Order in World Politics*, pp. 106-117.
[49] In Mearsheimer's "Back to the Future: Instability in Europe after the Cold War," pp. 5-56.

29

being unable to account for, or even to describe, the most important change in international relations: the shift from the medieval to the modern international system.[50]

In his article *The Balance of Power Revisited,* Inis L. Claude stresses that if the balance of power scheme is not designed for the prevention of world war, then it aims too low; and if it can not maintain general peace, then the quest for a better system is absolutely necessary. So he has justified his argument by questioning the view that a system for the management of international relations that failed to prevent a general war happening between 1914-1918 deserves high marks as a guardian of stability or order.[51] Similarly, Robert Cox has drawn on a variety of historicist writers to insist that the study of international relations itself, including the forms taken by realist theories in different eras, be analysed more critically in relation to the historical context in which it arose.[52] At a more general level, Christopher Layne summarises how realists neglect the dynamics of change as follows:

> If history is just one damn thing after another, then for realists international politics is the same damn thing over and over again: war, great power security and economic competitions, the rise and fall of great powers, and the formation and dissolution of alliances. International political behaviour is characterised by continuity, regularity, and repetition because states are constrained by the international system's "unchanging (and probably unchangeable) structure."[53]

In light of the previous criticism of realists' historical fallacy, it is noteworthy that the pattern of recurrent general war ended when the nuclear era began, after World War II.

---

[50] See Ruggie, "Continuity and Transformation in the World Polity: Toward A Neorealist Synthesis," pp. 261-285.

[51] Inis L. Claude, Jr., "The Balance of Power Revisited," *Review of International Studies*, Vol. 15, No. 1 (January 1989), pp. 77-85.

[52] Robert Cox, "Social Forces, States and World Orders: Beyond International Relations Theory," *Millennium: Journal of International Studies*, Vol. 10, No. 2 (1981), pp. 126-155.

[53] Christopher Layne, "Kant or Cant: The Myth of the Democratic Peace," *International Security*, Vol. 19, No. 2 (Fall 1994), pp. 10-11.

John Lewis Gaddis points out that the "long peace" after the second World War resulted from the "balance of terror." Alliance formation and the balance of power system could not have caused this long peace, because the rigid alliance blocs during the Cold War precluded the rapid realignments necessary for the equilibrium that the balance of power theory envisions.[54] It is thus the destructiveness of sophisticated weapons, not the scheme of the balance of power, that kept the peace.

Equally questionable is the balance of power assumption that the relative strength of states determines whether peace will result. If, as indicated earlier, nuclear technology has made the balance of power and coalitions obsolete, then the notions of inferiority and superiority no longer have the same clear political implications that they once had. Apart from this, the balance of power theory challenges the notion that the pursuit of peace between states through arms races or alliances is essentially the only obligation of the decision-makers, and that such international regimes as may exist are in any case best serviced as by-products of the pursuit of power. In fact, as some analysts contend, decision-makers may fail to understand the adversary's dilemmas and problems, and ignore the possibility that their own actions helped to trigger the crisis. They may all make an error, "cognitive bias that inclines people to see the actions of others as expressions of basic predispositions while they see essentially the same actions on their own part as responses to situational pressures."[55] In these circumstances, miscalculation and misperception of the adversary's resolve could occur all too easily. These analysts have identified psychological problems and bias that could come to the

---

[54] John Lewis, "The Long Peace: Elements of Stability in the Postwar International System," *International Security*, Vol. 10, No. 1 (Spring 1986), pp. 99-142.
[55] See, for examples, Arthur A. Stein, "Coordination and Collaboration: Regimes in an Anarchic World," *International Organisation*, Vol. 36, No. 2 (Spring 1982), pp.299-324; Robert Jervis, "Security Regimes," Ibid, pp. 357-378. See also R. N. Lebow, *Nuclear Crisis Management: A Dangerous Illusion* (Ithaca; NY: Cornell University Press, 1987).

31

fore in the stress of crises, with potentially disastrous results. International regimes are, therefore, said to be useful prescriptions for solving these problems.[56] All this suggests that the existence of international regimes is non-interventionist in the sense that states are sovereign and self-interested, but they nevertheless intervene effectively in the relationship between the international system and independent states.

To conclude, the aggregation of power by states to balance power as a way to preserve peace has proved not to be a universal law and has had a rather chequered history. The realists' challengers have suggested that the prospects for peace in the modern international system depend on other factors.

1. 4 THE SIGNIFICANCE OF INTERNATIONAL CO-OPERATION

Every theoretical perspective works with an exemplary problem which is assumed to be the most important kind of issue in the international system and which can be analysed using the appropriate theoretical tools. The exemplary problem for contemporary liberal analysts is that of the incentives and opportunities for co-operation. Co-operation theory, one of three major theoretical approaches of liberalism to international political economy (IPE), is based upon analytic techniques, especially Game Theory and rational choice, that have exploded in the discipline of economics over the last decade. Although co-operation theory has been applied generally to issues related to trade, finance, the environment and economic sanctions, it is also crucial in the security domain, because security interdependence, as one observer remarks, is high only among such countries, and dynamic density is an important incentive for co-

[56] Jervis, "Security Regimes," pp. 357-365.

32

operation.[57] For example, Charles Lipson tries to relate differences in military and economic issues to differences in states' discount factors and hence to the likelihood of international co-operation in military and economic affairs.[58] In this respect, Robert Jervis explicitly emphasises the necessity of exploring the conditions which enable states to maximise their relative, instead of absolute, gains in security affairs.[59] However, questions may asked: what exactly is cooperation and when does it occur?

Co-operation, as Robert Keohane has noted, "is elusive enough, and its sources are sufficiently multifaceted and intertwined, that it constitutes a difficult subject to study. It is particularly hard, perhaps impossible, to investigate with scientific rigor. No sensible person would choose it as a topic . . . that its puzzle could readily be solved." [60] However, he argues, co-operation is naturally designed to cope with actual or potential conflict. Without conflict, co-operation would be meaningless. In his view, co-operation is goal-directed behaviour. The goal of co-operation may be facilitated in a given issue area, through the resolution of a substantive problem, or through the power and influence of the collective in its interaction with other states and organisations, all with the ultimate purpose of enhancing the national well-being of participating states. Thus, co-operation needs the actions not only of independent states but also organisations. So Keohane expects that co-operation will occur   hen actors adjust their behaviour to the actual or anticipated preferences of others, through a process of

---

[57] Ruggie, "Continuity and Transformation in the World Polity: Toward a Neorealist Synthesis," pp. 261-285.
[58] Charles Lipson, "International Cooperation in Economic and Security Affairs," in David A. Baldwin ed., *Neorealism and Neoliberalism: The Contemporary Debate*, pp. 60-81.
[59] Robert Jervis, "Realism, Game Theory, and Cooperation," *World Politics*, Vol. 40, No. 1 (April 1988), pp. 324-329.
[60] Robert O. Keohane, After Hegemony: *Cooperation and Discord in the World Political Economy*, p. 10.

policy co-ordination."[61] In other words, co-operation entails policy adjustment among actors so that eventually all will be better off than they would be if they acted independently.

Helen Milner holds the same view as Keohane when she states that   o-operation has proved to be as elusive to realise as to analyse."[62] But she stresses that there are two important elements of the conception of co-operation. One is that the policies taken by each government are regarded by others as facilitating the realisation of their own objectives; the other provides the participants with gains or rewards. Accordingly, co-operation can be achieved in three ways. First, it may occur spontaneously without any agreement if the metaphor of Prisoners' Dilemma works. Second, it can be negotiated by bargaining, which means that actors may co-ordinate with each other through negotiation. Third, co-operation can be achieved by imposition, which implies that actors may be forced to change their policies if the stronger intends to acquire mutual gains by adjusting its policy.[63]

Many scholars have also noted that international relations is not a zero-sum game, and co-operation is, in many respects, the other side of the coin of conflict. In Game Theory, the Prisoner   Dilemma game proposes rules of behaviour in such a situation and finds that the rule of Tit-for-Tat appears to perform better on average than other proposed rules. The Tit-for-Tat rule is one in which the players each follow the strategy used by the other player on the previous round of play of the game; this tends to lead to the mutually preferable outcome, making both players better off as each plays the co-operation strategy. To some, the game, despite its difficulties, remains a

---

[61] Ibid., p. 51.
[62] Helen Milner, International Theories of Cooperation Among Nations: Strengths and Weaknesses," *World Politics*, Vol. 44, No. 3 (April 1992), p. 466.
[63] Ibid., p. 468-470; See also Oran R. Young, *International Cooperation* (Ithaca, NY: Cornell University Press, 1989), pp. 87-96.

valuable strategy for reciprocity and co-operative agreements. The development of strategic rationality provides actors with better outcomes, and it is consistent with prospects of states' strategic pursuit of self-interest.[64] Obviously, states need not always be motivated by a desire to avoid conflict, but in some situations the calculation of being better off as a result of co-operation may be sufficient.

In brief, several advantages can be attributed to Game Theory in explaining international relations. First, it focuses on how states behave rather than on how they should behave. Second, it shows that the best outcome can elude the best individual choices. Third, it provides a better way of thinking about crisis behaviour. Fourth, Game Theory has stimulated in the area of the evolution of co-operation. Fifth, states are not only units and they are not monoliths. Finally, Game Theory is particularly suitable for an analysis of deterrence.[65] Indeed, Game Theory is currently one of the major theoretical approaches for developing theories of states' behaviours in the international system, and its advantages have been accepted as the basis of a model to deal with mixtures between conflict and co-operation.

Despite its successful achievements, there are some critics who challenge the utility of this approach in international relations. Some analysts argue that Game Theory reflects only computer simulation, not the real world. States will only follow the strategies that depend on their propensity to take risks, and it is still highly questionable whether all decision-makers are truly rational, since much evidence suggests the

[64] For a discussion of Game Theory and Prisoners' Dilemma, see Duncan Snidal, "The Game Theory of International Politics," in Kenneth A. Oye's *Cooperation under Anarchy*, pp. 25-57; Robert Axelrod, *The Evolution of Cooperation* (New York: Basic Book, 1984), pp. 175-178; Robert Axelrod and Robert O. Keohane, "Achieving Cooperation Under Anarchy: Strategies and Institutions," pp. 226-254; Steven Brams, *Superpower Games: Applying Game Theory to Superpower Conflict* (New Haven :Yale University Press, 1985), p. xi; and Jervis, "Realism, Game Theory, and Cooperation," pp. 324-329.

contrary view. More importantly, Game Theorists have not addressed the question "about how actors think or about how the logic of their situation makes them behave."[66] Joanne Gowa has argued that Axelrod's analysis of the possibility of co-operation is based on a definition of egoism in which actors care for nothing but their own gains. In some cases, a state may "seek to maximise a utility function that depends both on increases in its own payoffs and on increases in the difference between its payoffs and those of another state."[67] In a self-help system, Waltz believes, states worry that the division of possible gains arising from co-operation may benefit others more than themselves so that "even the prospect of large absolute gains for both parties does not elicit their co-operation so long as each fears how the other will use its increased capabilities."[68]

Joseph M. Grieco has made the same criticism of liberal   assumptions about states' utility functions. He contends that liberals have been preoccupied with actual or potential absolute gains from international co-operation and have underestimated the importance of relative gains. Two major structural factors thus prevent states from co-operation with the others. The first constraint on co-operation in mixed interests with international situations is the potential for cheating. The second obstacle arises because the benefits of co-operation are rarely symmetrical. Under these conditions, states would rather forgo the benefits of co-operation rather than see a competitor improve its relative capabilities. Further, an increasingly powerful partner today may possibly

[65] Martin Hollis and Steve Smith, *Explaining and Understanding International Relations* (Oxford: Clarendon Press, 1991), pp. 135-137.
[66] Ibid., p. 138-41.
[67] Joanne Gowa, "Anarchy, Egoism, and Third Images," *International Organisation*, Vol. 40, No. 1 (Winter 1986), pp. 167-186.
[68] Waltz, *Theory of International Politics*, p. 105.

become a formidable adversary in the future.[69]   Apparently, Grieco is concerned with both absolute and relative gains, but he gives priority to the latter.

Another useful contribution to the debate surrounding relative and absolute gains is Robert Powell's explanation. He maintains that the debate between neorealism and neoliberalism concentrates narrowly on relative versus absolute gains, an issue which is less important than the structural conditions facing actors. Furthermore the debate has generally mistaken effects for causes and has contributed little to the analysis of co-operation. In the context of anarchy, the major concern for states in cooperating with each other is the cost of using military capabilities in the international system. If states fear that the advantaged partner could use the additional capabilities produced by the gap in gains to be a greater military threat, then relative gains predominate and co-operation is unlikely. Nevertheless, when using military force is costly, then relative gains may not be exploited and co-operation will be achieved.[70] Powell's assumptions, presumably, are on the basis of anarchy, which is a constant phenomenon in the international system and is accepted by most analysts. Ironically, it is anarchy, according to Milner's observation, that has misled some analysts in explaining and understanding international relations. In fact, she concludes that these assumptions depend on some domestic and some international factors, and that "anarchy does not determine whether relative or absolute gains dominate the motivations of states.[71]

---

[69] Joseph M. Grieco, "Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism," Charles W. Kegley, Jr. ed., *Controversies in International Relations Theory: Realism and the Neoliberal Challenge* (New York: St. Martin's Press, 1995), pp. 151-168.

[70] Robert Powell, "Absolute and Relative Gains in International Relations Theory," David A. Baldwin, ed., *Neorealism and Neoliberalism : The Contemporary Debate*, pp. 209-230.

[71] Milner, "International Cooperation Among Nations: Strengths and Weaknesses, p. 496.

Puzzling over these arguments, the perception that the efforts in explaining and theorising international co-operation seems far discussed, whether motivated by rational choice considerations or the need to adapt to increasing international interdependence. One thing is certain: the term "international co-operation" is widely applied by international relations theorists, and is not fundamentally at odds with the self-help system and anarchic structure—at least not by the intention of their champion, even though some of the cumulative effects may be system transforming.

CONCLUSION

Obviously, it is fair to say that to provide an accurately comparative overview of international relations theory only by introducing some diverse perspectives is definitely insufficient, and it is also impossible to examine every controversy in detail within the present limited space. However, as indicated earlier, an adequate theoretical understanding of international relations can not be reached by any one school alone. It can only be achieved by all schools taken together and thus by an analysis of the debates they jointly provoke. Even realism, despite its continuing importance, is only one voice among several in the approach to international relations. It should be understood in relation to other important voices which together make up contemporary international theory.

It is as a result of these major differences that any theory used to explain and describe states' behaviour in the international system, both constant and changing, needs to be tested in the real world. Accordingly, it would be premature to judge which school is superior. That is to say, no single piece of research can provide sufficient evidence for

accepting or rejecting any theory or part of a theory that pertains to phenomena beyond those included in the study. And the only fact is that evidence shows.

From this perspective, realism has helped us understand, first, how political theory is derived from political practice and historical experiences that are rooted in human nature, which is deemed to be sinful and wicked. Second, the lack of hierarchy in authority at the systemic level creates rules that confine the choices available to states. States must therefore bargain with each other to defend and achieve their own objectives and purposes. Third, states have to live with their security dilemmas, implying that measures taken by one state in pursuit of its own security interests often decrease the security of others. This is a dilemma which leads to competition for more power in a vicious circle. Fourth, the balance of power is a perennial element of all pluralistic societies, and realism's emphasis on the balance of power helps to explain why some states are more successful in achieving their goals than are others.

Indeed, realism has been by far the most popular theoretical perspective for explaining international affairs. However, there has been mounting "evidence" to suggest that the realist paradigm does not properly either describe or explain the world.[72] Contemporary dissatisfaction with realism is reflected in the current wave of theoretical analysis that reveals realism's failure to provide an adequate understanding of the dynamics of peace and war, which are at the heart of international relations theory. Accordingly, three major weaknesses can be singled out.

First, a theory of international relations needs to fulfill four basic tasks. It should describe, explain, predict and prescribe. In this respect, the realist paradigm seems to be too static in predicting the future of international relations because of the constraints of "structural continuity" and "timeless present". If this is true, then there is no reason

to assume that behaviour in the future international system is bound to be the same as it was in the past.

Second, realism fails to account meaningfully for the new issues and cleavages on the global agenda. For example, realist theories are focused exclusively on the political and military dimensions of security, although some realists, such as Barry Buzan and Robert Gilpin, have stressed the importance of economics in world affairs; but they argue that there is no logic of economic and political change powerful enough to transform the basic condition and consequences of anarchy. Theories have now been re-examined and are seen as no longer adequate, and it is generally believed that the economic and ecological dimensions of security should be included, for excessive preoccupation with the military dimension might eventually undermine a state's overall security posture.

Third, states are important and rational unified actors in international politics, but they are not necessarily the only actors which dictate the behaviours of international relations. Some other actors, such as political parties, ethnic groups, transnational corporations, and international regimes, play equally important roles in world politics. Moreover, these actors are all rational and calculating but they pursue different goals, and different actors have different power capabilities in different areas. Some actors can influence outcomes in some arenas but not others.

Strictly speaking, no particular finding from realism's challengers will suffice to "falsify" the whole of theory. The major limitations of realism indicated above do not suggest that traditional approaches to international relations must be abandoned. Instead, the traditional concepts help us understand some important realities that could

---

[72] See Charles W. Kegley and Eugene R. Wittkopf, eds., *The Global Agerda* (New York:Mcgraw-Hill, 3rd ed., 1992), pp. 1-10.

be too pessimistic to some. In this sense, more efforts, both in academic fields and in policy-making, are required to lead the world into a better future.

For this reason, this chapter has traced the main issues in the controversies between realism and its challengers in international relations as a discipline, and has thereby set an agenda for the rest of the thesis. In the following chapters we demonstrate several examples of the development of international co-operation in the Asia-Pacific region in general, ASEAN-Taiwan in specific, by arguing that co-operation meets both individual as well as regional objectives. Moreover, there has been a tendency to judge the Asia-Pacific and ASEAN by different criteria which were applied with the advent of a number of critical regional problems which arose from the middle of 1997.

CHAPTER 2

THE ASIA-PACIFIC REGION IN TRANSITION

Drawing on its theories outlined in the previous chapter, this chapter begins by arguing that the forces that shape international co-operation are among the most important in international politics. In particular, the chapter suggests that many debates over the continuity and change in the Asia-Pacific region are based primarily on conflicting beliefs about the incentives of international co-operation.

For almost half a century the security structure of the Asia-Pacific region was dominated by the Cold War system and bipolarity. With the collapse of the Soviet empire and a possible withdrawal of US military presence in the region, it now appears that the two opposing alliance structures have ceased to be the vehicles for both military confrontations and ideological struggles. In his article "Ripe for the Rivalry", Friedberg maintains that bipolarity has not given way to unipolarity nor to simple multipolarity, but to "a set of regional subsystems in which clusters of contiguous states interact mainly with one another."[1]

Therefore, the first section of this chapter presents a framework based on history and geography to understand how the Asia-Pacific region, it will be argued, has been transformed. Recent developments in the Asia-Pacific region appear to have created an especially acute challenge to both realism and its challengers in a way that this region presents deviations from the global pattern.

The second section considers the co-operative efforts in the region. Generally, most models outlined in the preceding section have been borrowed from European

and Western experience, which is based on a process of regional integration and a process of state formation and the legitimisation of state structures. But what is true of Europe may not necessarily be true of other parts of the world, particularly in the Asia-Pacific region, thus the final section anticipates future developments and limitations in the Asia-Pacific region.

2. 1 AN OVERVIEW: THE BACKGROUND

2. 1. 1 DEFINING AN "ASIA-PACIFIC" REGION

There is a paradox concerning the place of the Asia-Pacific region in academic thinking. Historically, most Asian people realise that Asia-Pacific is nothing but a geographical expression and that continent and ocean abound in diversities. The geographical concept perimeter refers generally to two subregional parts, Northeast Asia and Southeast Asia, including Japan, North and South Korea, Mainland China (People's Republic of China, PRC), Taiwan (Republic of China, ROC), Indochina and members of ASEAN. From the viewpoint of political economy, the definition of the Asia-Pacific region is a matter of considerable controversy. For some, it refers to current members of the APEC (Asia Pacific Economic Co-operation) grouping. The World Bank (1995) defines "East Asia and the Pacific" to mean a list which entails a total of 34 "low", "middle" and "high" income economies. The Asian Development Bank (1994) emphasises a subset of developing economies in the region, including South Asia. Some geopoliticians argue that this region should be divided into four geopolitically distinct subregions—Northeast Asia, Southeast Asia, Southwest Asia

---

[1] Aaron L. Friedberg, "Ripe for Rivalry," *International Security*, Vol. 18, No. 3

and Oceania—because of their distinctive political, economic, social and cultural characteristics.[2] Chandra Muzaffar even argues that Asia-Pacific is a concept not a reality and "as a concept, Asia-Pacific' makes little sense."[3] Unlike East Asia or South Asia or Southeast Asia, it has no shared history or common cultural traits. Asia-Pacific is not even an accepted geographical entity."[4] Indeed, the competing definitions of what constitutes "the Asia-Pacific region" are often inclusive or exclusive exercises in the politics of representation. The precise definition tends to change according to the issue area in question and is perhaps most useful in self-determined by the participants in regional organisations.

A region, according to Richard Stubbs and Geoffrey Underhill, has three dimensions: a distinct geographic area with common historical experience; internal cultural, political and/or economic linkages; and organisations to regulate interactions and/or manage common affairs.[5] If their definition is accurate, then the Asia-Pacific region has yet to become a true region, for the emergence of the Asia-Pacific as a region in international politics is a modern phenomenon, and it might best be considered as a region that is still in the process of evolution and whose identity has yet to be clearly defined. In fact, "Asia-Pacific" is not a natural region but a product of several developments associated with the modernisation and globalisation of political, economic and social life that has involved the spread of statehood throughout the world. Accordingly, for the purpose of analysis in this thesis, the

(Winter 1993/94), p. 5.
[2] For further discussion of how the Asia-Pacific region may be defined, see James C. Hsiung ed., *Asia Pacific in the New World Politics* (Boulder & London: Lynne Rienner Publishers, 1993), pp. 213-216.
[3] Chandra Muzaffar, "APEC serves interests of US more than others," *New Straits Times*, 29 July 1993, p. 13.
[4] Ibid.
[5] Richard Stubbs and Geoffrey Underhill, *The Political Economy of the Changing Global Order* (Toronto: McClelland & Stewart), pp. 331-2.

Asia-Pacific region is seen to encompass both Northeast Asia and Southeast Asia in general. But, in a broader sense, the states that are currently members of APEC are also included in association with the security and economic movements of the region.[6]

2. 1. 2 THE COLD WAR SYSTEM

The decisive effect after World War II was to destroy the multipolar balance of power which in varying forms had characterised the international system since the seventeenth century. The end of the Second World War found the old pillars of the pre-war system of states incapable of sustaining that structure, and in its place grew a new bipolar structure founded on the predominance of the United States and the Soviet Union. It is widely believed that the collapse of the Great Power coalition after World War II helped modern realism to become established as the dominant approach to the theory and practice of international relations.

The extension of the Cold War to the Asia-Pacific region was, as in the case of Europe, a consequence of the shift in the international system caused by the Second World War. More precisely, it was the creation of the PRC (People's Republic of China) in 1949 and the Korean War, begun in 1950, that effectively integrated the Asia-Pacific into the Cold War system that had first emerged in Europe. However, the indigenous Asia-Pacific states, seen in the Western mind for centuries as the "Orient", were less amenable to the methods used to make sense of the situation in Europe. The lines between hostile and friendly territory were scarcely as clear as in Europe both in the geographical and political sense, and the lines of conflict within

---

[6] Current members of APEC are: Japan, South Korea, Taiwan, China (PRC), Hong Kong, Brunei, the Philippines, Malaysia, Thailand, Singapore, Indonesia, New Zealand, Papua New Guinea, Australia, Chile, Mexico, Canada and the United States.

the Asia-Pacific region were as varied in their nature as were the states themselves. Both superpowers in any case experienced difficulty in applying policies devised for Europe to situations in this region. The geopolitics of European conflict allowed for a concentration of interests; but the diversified geopolitics of the Asia-Pacific states produced a multiple sphere of interests and posed the problem for both superpowers of achieving co-ordination amongst their allies.

Indeed, the difference in the Asia-Pacific in the post-war period lay not only in the sheer number of new and would-be new states but in the nature of their historical ties with the Great Powers and in the nature of the international situation in which they sought to achieve independence. Colonial dependence had created little scope for indigenous political activity, however successfully cultural institutions and values had survived the onslaught of the West. This ensured that decolonisation would involve nation-building from the ground up, implying a necessary concentration on internal consolidation at a time when international economic and political forces were exerting powerful external pressures on new states. It was a potent mixture of power. In Lucian W. Pye's view, the political culture and progress of modernisation in Asian societies, unlike the situation in the West, where power has taken as a given, is generally seen as being one of building up sufficient power to put programmes into effect.[7] In other words, the perceptions about danger in the West came from authority, while in Asian societies dangers were perceived to arise from a lack of power to justify the authority. In these circumstances, internal political conflict frequently turned regional states into arenas for superpower rivalry, not least because many of the revolutionary activities adopted communism, or versions of it, as their guiding philosophy. Probably, the most difficult problem faced by regional states was

that of establishing the necessary political stability on which to build economic growth.

Unlike in the North Atlantic, in the Asia-Pacific region and more generally in what came to be known as the Third World, conflict was not entirely contained within the framework of the Cold War, despite the ambitions of the superpowers. In many instances the "enemy" was not one or another of the superpowers but the Cold War system itself. Basically, no region-wide anti-communist alliance was established, and the actual balance of power in the Asia-Pacific between the United States and the Soviet Union was more uneven than in Europe. Perhaps one of the most influential roles in which the operation of bipolarity was distinctive in the Asia-Pacific during this period centred on Communist China, founded in 1949. As a relatively independent strategic actor that had proved its entitlement to great power status in the Korean War, the PRC shifted from being a close ally of the Soviet Union in the early 1950s to become its most implacable adversary by the end of the 1960s. Moreover, the PRC's acquisition of nuclear weapons in the early 1960s made the international environment much more complicated. The structure of the international system during this period has often been depicted as a strategic triangle.[8]

At the global level, in order to preserve its independent diplomatic stance, the PRC demonstrated its flexibility by opening to the United States as the Sino-Soviet split was clearly evident. Later, it shifted to a more independent position as the Soviet

---

[7] Lucian W. Pye, *Asian Power and Politics: The Cultural Dimensions of Authority* (Cambridge: Harvard University Press, 1985), pp. 31-33.

[8] For a discussion of the concept of a power triangle, see Lawrence Freedman, "The Triangle in Western Europe", Gerald Segal, ed., *The China Factor: Peking and the Superpowers* (London: Croom Helm, 1982), pp. 105-25; Lowell Dittmer, "The Strategic Triangle: a Critical Review", Ilpyomg Kim, ed., *The Strategic Triangle: China, the United States and the Soviet Union* (New York: Paragon House, 1987); Robert Legvold, "Sino-Soviet Relations: The American Factor", Robert Ross, ed.,

threat declined. Strictly speaking, the essentials of the Cold War system between the two superpowers and the centrality of the strategic balance between these two blocs remained in place. The PRC did not carry the same strategic weight as the two superpowers in global configurations of power, but it became more openly recognised as the most complicating factor, and its influence was more evident in the conduct of the US-Soviet balance of power.

At the regional level, if the US and the Soviet Union could be described as global powers with a regional interest in the Asia-Pacific, then the PRC might be regarded as a regional power of global significance. Although the PRC did not enjoy the same economic or military predominance as China had done in the past, so that it could not establish its position as a paramount power in the Asia-Pacific region, its historical legacy made it extraordinarily sensitive to regional affairs.[9] The PRC's active participation in two major regional wars, the Korean War in 1950 and the Vietnam War in 1965, had led it to become a formidable adversary of the US and its allies. At the same time, the PRC had also demonstrated its potential and was regarded by Americans and regional states as playing a constructive role in both counter-weighting Soviet expansion and resolving several important issues in the region, such as the problems of Cambodia and the Korean peninsula.

Apart from the power competition indicated above, another major development of the region in 1950s was its transformation from being only an object of geopolitical interest to the superpowers to one in which its constituent members as independent states sought to articulate an independent approach to international politics in the

---

China, The United States, and the Soviet Union: Tripolarity and Policy Making in the Cold War (New York & London: M. E. Sharp, 1993), pp. 60-80.
[9] Steven Levine, "China in Asia: The PRC as a Regional Power," Harry Harding, ed., *China Foreign Policy in the 1980s* (New Haven: Tale University Press, 1984), pp.

guise of what was later called non-alignment, beginning with the conference held in Bandung, Indonesia, in 1955. This helped to identify it as a new dimension in international politics and contributed to developing the agenda that emphasised anti-colonialism and the need for economic development. Another example, the one relatively successful regional organisation, the Association of Southeast Asian Nations (ASEAN), established in 1967, was, as its title implied, restricted to Southeast Asia and was designed in practice to enhance the effective independence of its members. Such developments, according to Robert Legvold and Lawrence Freedman, initiated a transition from the tight bipolar system through a loose bipolar system to a multipolar set of structural arrangements.[10] However, this was not able to change the basic framework of power competition between the two superpowers in the global arena; nor could it resolve differences of interests and competing security concerns of the Asia-Pacific states.

Needless to say, in sum, the international system during this period, from a realist point of view, remained unchanged and was still anarchical. Paul Kennedy proceeds from a conceptualisation in which the main world structures are determined by the formal loci of authority in the international hierarchy, so he concludes and predicts that the "broad trends of the past five centuries are likely to continue."[11] Nevertheless, the context of the international system during the Cold War era, whether it was dominated for a time by Great Powers or only by two, did not take the same forms in the Asia-Pacific region as in Europe or elsewhere. Without the Korean War, as Robert Jervis puts it, the world probably would not have developed in the

---

105-108. See also Yufan Hao and Guocang Huan, eds., *The Chinese View of the World* (New York: Pantheon Books, 1989), p. xxix.

[10] Legvold, "Sino-Soviet Relations: The American Factor", pp. 60-75; Freedman, "The Triangle in Western Europe", pp. 105-120.

way it did.[12] The same can be said about the significance of the Vietnam War for the Asia-Pacific region.   These two major wars and developments within the regional states made the Asia-Pacific a region of global significance.

2. 1. 3 THE END OF BIPOLARITY: CONTINUITY OR CHANGE?

During the Cold War, efforts to challenge the dominance of realism were relentlessly thwarted by the continued rivalry between two superpowers, for the connection between theory and events was undeniable.   It now appears that the dominant theories, based on the necessity of Great Power rivalry and the prominence of military power, are now in question. The central issue facing scholars and analysts is whether the entire international system discredits the realist approach because of the collapse of the bipolar system.   More importantly, will the current global changes manifest themselves in the Asia-Pacific region? And is there anything about Asia-Pacific development that deserves to be noted from a theoretic perspective?

Kenneth Waltz responds to his critics, who mainly focused on questioning realism's failure to explain and predict the end of the Cold War, by maintaining that " a theory may help us to understand and explain phenomena and events yet not be a useful instrument for prediction."[13] He defines theory as a picture in which reality is reflected, and a theory's capability of explaining is more important than its ability to predict. Some neo-realists, Joseph Grieco for example, argue that international

---

[11] Paul Kennedy, *The Rise and Fall of Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987), pp. 439-40.
[12] Robert Jervis, "The Impact of the Korean War on the Cold War," *Journal of Conflict Resolution*, Vol. 24, No. 4 (December 1980), pp. 563-592.
[13] Kenneth N. Waltz," Reflection on Theory of International Politics: A Response to My Critics," Robert O. Keohane, ed., *Neorealism and Its Critics* (New York:

relations theories are capable only of predicting patterns of behaviour; they help one to understand how a given system works; they are not useful merely because they help one to predict the trend of events. In fact, the main analytical perspectives on international relations, neo-realism and liberalism, share with all their critics their inability to foreshadow, let alone foresee, this momentous global change. The end of the Cold War, according to the traditional version of power transition theories, is marked by the problem of hegemonic decline and its consequences. Thus, the end of bipolarity is simply the result of the rise and decline of states' relative power conditioned by the nature of the overall distribution of capabilities. "The prospect of major crises, even wars, in Europe is likely to increase dramatically now that the Cold War is receding into history," as one realist concludes.[14] Apparently, if realist forecasts are correct, the patterns of power competition will be repeated again and again. The unavoidably conflictual nature of politics in an anarchical international system is obviously the legacy of Cold War experience and historical realities. However, many criticisms of realism based on the post-Cold War transformation of international politics argue that the evaluation of theory should look to future patterns rather than past events.[15] More significantly, the lesson of the sudden end of the Cold War suggests that power rivalries need not necessarily end in armed conflict as they did in World War I and World War II.

Columbia University Press, 1986), p. 335; Kenneth N. Waltz, "Evaluating Theories," *American Political Science Review*, Vol. 91, No. 4 (December 1997), pp. 913-16.
[14] John J. Mearsheimer, "Europe after the Superpowers: Why We Will Soon Miss the Cold War," Charles W. Kegley Jr. and Eugene R. Wittkopf, eds., *The Global Agenda*, 3rd ed. (New York: Mcgraw-Hill, 1992), pp. 158-159. See also Waltz's "The Emerging Structure of International Politics," pp. 42-48.
[15] Richard Ned Lebow, "The Long Peace, the End of the Cold War, and the Failure of Realism," *International Organisation*, Vol. 48, No. 2 (Spring 1994), pp. 251-252. See also Friedrich Kratochwil, "The Embarrassment of Changes: Neo-Realism as the Science of *Realpolitik* Without Politics," *Review of International Studies*, Vol. 19, No. 1 (January 1993), pp. 63-80.

In the case of the Asia-Pacific region, the period of the end of bipolarity, when the "new world order" becomes world-wide aspiration, has not provided real peace for regional states. There is no doubt that the collapse of the Soviet Union has made the United States the only superpower in the world arena, but this does not mean that the US is either able or willing to exercise sole hegemony in the sense of being able to lay down the law to the rest of the world, especially in the Asia-Pacific region. Having noticed the change of world politics today, Henry A. Kissinger declares that the world no longer has two superpowers, but at least six major powers (the US, the PRC, Russia, Japan, UK, France, etc) The United States is militarily the strongest, but the circumstances in which its military power is relevant are diminishing.[16]

For one thing, Asian stability during the past several decades has benefited from the American military presence. In response to domestic demands and the end of confrontation with the Soviet Union, the United States is reducing its military forces, which have long been regarded as the main buttress to regional stability. This new strategic environment is seen as uncertain since it is suspected that the US may not have sufficient domestic support in the long term to sustain the level of forces deployed in the region necessary to serve the objective of upholding stability. To make matters worse, as some analysts maintain, the perception of a perception of possible "power vacuum" caused by US withdrawal might encourage more turbulence and unilateral bids for power accumulation.[17] Tensions between the two Koreas and between the PRC and Taiwan remain high. North Korea's aspiration to acquire nuclear weapons and territorial disputes over the South China Sea have also signified potential dangers within the region. The break-up of the bipolar system has

---

[16] Kissinger, *Diplomacy*, pp. 17-28
[17] Denny Roy "Assessing the Asia-Pacific 'Power Vacuum'," *Survival*, Vol. 37, No. 3 (Autumn 1995), pp. 43-49.

compelled regional states to deal with problems that have deep roots of their own, and which direct them toward engaging in behaviour apt to lead to spiralling conflicts, such as arms races, crises and even wars.[18] On the other hand, the dynamics of their highly expanding economic growth, coupled with an easy access to military technology after the bankruptcy of the Soviet empire, have provided them a better chance to purchase more sophisticated weapons. Ironically, instead of establishing a structure of arms control or a collective security, the United States has fuelled arms competition by becoming one of the major arms suppliers in the region.

Accordingly, the region, to some pessimists, is in danger of heading "back to the future", because states in the region are responding to the uncertainty about their future threats by an arms build-up. This might suggest a self-stimulating military rivalry between states, in which their efforts to defend themselves militarily cause them to enhance the threats they pose to each other. In other words, the realists can justify their arguments by pointing out that in an anarchic order, security can only be achieved through self-help, but self-help (or armaments and national defence) increases the insecurity of all thereby incurring the risk of a security dilemma. Viewed in this way, the recent development of the Asia-Pacific region may confirm the realist wisdom of a "timeless present" and the view that the collapse of the bipolar system has not given way to a better world in the region.

Given these recent incidents, optimists wonder whether this is necessarily to be the case, and some may argue in terms of changes that manifest global effects on the

---

[18] For a further discussion of the arms race in the Asia-Pacific region see Desmond Ball, "Arms and Affluence: Military Acquisition in the Asia-Pacific Region," *International Security*, Vol. 18, No. 3 (Winter 1993/94), pp. 78-112; Barry Buzan and Gerald Segal, "Rethinking East Asian Security," *Survival*, Vol. 36, No. 2 (Summer 1994), pp. 3-21; Richard F. Grimmett, *Conventional Arms Transfers to the Third World, 1984-1991* (Washington DC: Congressional Research Service, Library of

Asia-Pacific region. One of the major structural changes is the rise of mulitilateralism at the global level, which is sometimes taken as an essential characteristic of the new world trend, and there is speculation as to whether this is to be repeated in the Asia-Pacific region. However, it is highly contentious whether multilateralism is more stable than a bipolar system, and no historical survey had been done on the question. Specifically, the rise of the norm of multilateral consultations in the Asia-Pacific region reinforces an acquired collective identity. Even Waltz acknowledges that his theory fails to account for the changes of world politics and that a multipolar system seems more stable than the bipolar one.[19]

From the economic perspective, rapid economic growth for the Asia-Pacific states and the relative decline of American hegemony have changed the basic structure of the distribution of power. The rise of Japanese economic power, of NIEs (the newly industrialised economies: South Korea, Taiwan, Hong Kong, and Singapore), and then of ASEAN states and the PRC has proved to be successful. As a result of the rising importance of economic security in the new era, the US has converted its economy from a Cold War orientation to a post-Cold War strategy. Japan has thus replaced the Soviet Union as the major challenge to American worldwide interests.[20] For its policy toward Asia-Pacific region, despite its initial hesitation, the US finally attempted to provide leadership in the region as a whole by convening a summit for the annual meeting of the APEC forum in 1993 with a view to transforming it into a

---

Congress, July 20, 1992), pp. 60-72.; Gerald Segal, "Managing New Arms Races in the Asia/Pacific," *Washington Quarterly* (Summer 1992), p. 82
[19] Waltz, "The Emerging Structure of International Politics," pp. 42-43.
[20] Samuel P. Huntington, "America's Changing Strategic Interests," *Survival*, Vol. 33, No. 1 (January/ February, 1991), pp. 3-17.

more formal free trade area. This may be seen by some as an American grandiose scheme, using APEC as a vehicle for creating a "new Pacific Community."[21]

In security matters, in response to an uncertain strategic future, a comparatively new mode of multilateral arrangements has emerged in Asia-Pacific international relations. The formation of ASEAN Regional Forum (ARF) in 1993, which is designed to promote a multilateral security dialogue in Asia-Pacific region, may be considered an historic event in the sense that for the first time all Asia-Pacific states began to officially discuss political and security co-operation issues. Furthermore, it is also believed that the establishment of a security framework in the region, although it is essentially consultative in character, could be seen as the first step to promote regional stability. More importantly, the ARF is seen as a significant success for incorporating the PRC within multilateral approaches in the hope that it will become a good neighbour in the region as it inevitably grows in power. A detailed discussion of ARF is preserved in chapter four.

There is no doubt that the end of bipolarity and the decline of American hegemony have provided better chances and new reasons for constructing multilateral regimes in the Asia-Pacific region.[22] Interestingly, according to the theory of hegemonic stability, the loss of US hegemony would equally reduce the ability of regional states to co-operate with others. But this may not necessarily be the case in the Asia-Pacific, for the changing perceptions of the benefits of co-operation have encouraged regional states to change their behaviours, which has in turn made international co-operation in the region possible. Besides, in the case of Asia-Pacific, there exists

---

[21] Ngai-Ling Sum, "The NICs and Competing Strategies of East Asian Regionalism," Andrew Gamble and Anthony Payne, eds., *Regionalism & World Order* (London: Macmillan Press, 1996), 221-222; Michael Leifer, *Dictionary of the Modern Politics of South-East Asia* (London & New York: Routledge, 1995), p.52.

what can be termed as economic interdependence leading toward common prosperity and stability. In other words, collective action can sometimes substitute for hegemonic leadership. Compared to Europe, the process of Asian multilateralism was late in getting started and it remains limited in its scope, but this does not mean that the situation is decidedly short of hope.

Another notable by-product of regional economic growth is the development of democracy, for example in South Korea and Taiwan. It is argued that economic growth provides the basis for a natural evolution of democracy, and further prosperity is made possible by regional peace. Some scholars maintain that democracy is incubated by wealth; more importantly, democratisation makes international conflicts less iikely because democracies almost never fight each other. Moreover, empirical support for the pacifying impact of constitutional democracy, as Bruce Russett suggests, is firmer than the assumption that economic interdependence breeds peace.[23] Indeed, the popular sentiment in the democracies in recent years has tended to oppose military involvement, although the Desert Storm (the war with Iraq) shows that the electorate can be brought around to support military activities by skilful political leadership.

---

[22] Donald Crone, "Does Hegemony Matter? The Reorganisation of the Pacific Political Economy," *World Politics*, Vol. 45, No. 4 (July 1993), pp. 501-525.
[23] For more discussions on democratic peace, see Bruce Russett, "The Fact of Democratic Peace," Michael E. Brown, Sean M. Lynn-Jones and Steven E. Miller, eds., *Debating the Democratic Peace* (London: MIT Press, 1996), pp. 58-81; Zeev Maoz and Bruce Russett, "Normative and Structural Causes of Democratic Peace, 1946-1986," *American Political Science Review*, Vol. 87, No. 3 (September 1993); Edward D. Mansfield and Jack Snyder, "Democratisation and the Danger of War," *International Security*, Vol. 20, No. 1 (Summer 1995), pp. 5-38; John M. Owen, "How Liberalism Produces Democratic Peace," *International Security*, Vol. 19, No. 2 (Fall 1994), pp. 87-125; Randall L. Schweller, "Domestic Structure and Preventive War: Are Democracies More Pacific?" *World Politics*, Vol. 44, No. 2 (January 1992), pp. 235-269; Francis Fukuyama, *The End of History and the Last Man* (London: Penguin Books, 1992), p. 262; Layne, "Kant or Cant: The Myth of the Democratic Peace," pp. 5-49.

Insofar as the number of democracies in the Asia-Pacific region is likely to increase in the coming decade, especially among the NIEs and ASEAN states, it remains to be seen whether democracies are indeed more peaceful in their relationships one with another. Furthermore, while communism may have been dismantled in the region, this by no means implies that the successors to communist regimes must be democratic. Apparently, the significance of rapid modernising Asia-Pacific states presents an anticipating evolution of democracy, which might be regarded by many regional states as a challenge to existing authoritarian systems. For them, democratisation not only brings domestic turmoil but also undermines economic growth in the long run. Resistance to democratisation, therefore, has become a common feature of many regional states, and is justified in the name of economic development and social and political order.

However, the flow of historic trends is hard to avoid, as Francis Fuguyama declares. In contrast to the theory of historical continuity, he regards this fundamental change in human history as a "large process" and concludes "that we may be witnessing is not just the end of the Cold War, or the passing of a particular period of post-war history, but the end of history as such: that is, the end point of mankind's ideological evolution and the universalisation of Western liberal democracy as the final form of human government."[24] In the Asia-Pacific region, the political and social consequences of recent economic crisis have not yet overcome, but anti-Western sentiments are being expressed. It is too early to make a judgement on its long-term implications, but it is also hazardous to dismiss it as a short-term, solely economic problem.

2. 2 THE EVOLVING REGIONAL CO-OPERATION

2. 2. 1 INCREASING ECONOMIC INTERDEPENDENCE

Interdependence, generally, refers to a condition where the actions of individual members of a social system impact on the welfare of other members of the system. That is to say, those who are interdependent are affected by, and react in a sensitive manner to, each other's behaviour; the higher the level of interdependence, the more pronounced these impacts and reactions will be.[25] Interdependence, as Stuart Harries puts it, is "usually, but not always, a characteristic of a high degree of economic co-operation or integration."[26] K. J. Holsti has pointed out that interdependence has a key feature in the contemporary international system, the namely rapidly increasing interconnectedness between states, which has occurred as the result of the "dramatic growth of means of transportation, communication and exchange of goods, money, and ideas."[27] Therefore, complex interdependence is said to have the characteristics of multiple issues, multiple channels of contact among societies, and inefficacy of military force for most policy objectives.[28] This does not mean that military force has become obsolete. It certainly continues to play a central role when states are in

[24] Francis Fukuyama, "The End of History?" *National Interest*, No. 16 (Summer 1989), pp. 3-4.

[25] Keohane and Nye, *Power and Interdependence: World Politics in Transition*, pp. 8-11; See also Oran R. Young, "Interdependencies in World Politics," *International Journal*, Vol. 24 (Autumn 1989), pp. 726-50.

[26] Stuart Harris, "Economic Co-operation and Institution Building in the Asia-Pacific Region," Richard Higgott, Richard Leaver, and John Ravenhill, eds., *Pacific Economic Relations in the 1990s: Co-operation or Conflict?* (Sydney: Allen & Unwin, 1993), p. 274.

[27] K. J. Holsti, *Change in the International System: Essays on the Theory and Practice of International Relations* (Aldershot: Edward Elgar, 1991), p. 53.

[28] Keohane and Nye, *Power and Interdependence: World Politics in Transition*, pp. 24-27.

conflict with others, but it would be inappropriate in resolving disagreements on economic issues. Moreover, the link between international trade and the frequency of war, according to Edward Mansfield's observation, has found an inverse relationship: the higher the level of commerce, the lower the incidence of war, and vice versa.[29] In this respect, interdependence makes states avoid war in order to maximise their gains

In the Asia-Pacific region, for many years, the pace of economic growth was very slow compared with other regions of the world. Some fundamental problems arose for the regional states in forming better economic structures. First, the initial stage of nation-building, as indicated earlier, focused more on dealing with politics than on economics, and the eclipse of colonial authority left nothing but devastation. Second, during the early Cold War period, most states were embroiled in the confrontation of ideological differences inspired by the two superpowers. Third, the region largely involved developing states whose economic structures and trade patterns were similar, which meant that the situation was more often competitive than complementary. The only exception was probably ASEAN, but its contribution seemed primarily political rather than economic.

However, by the 1980s, despite political constraints and unsettled debates over some issues (territorial disputes and ideological conflict for instances) the undercurrents for economic development in the region were gaining strength. (see Table 1 & 2) An inflow of large-scale foreign direct investment (FDI) possibly played an important role in helping the regional states to escape from the negative effects of economic cycles and to upgrade their industrial capacity. From 1980 to 1992, the total exports from regional states (including Japan, NIEs, ASEAN-4 and the

---

[29] Edward Mansfield, *Power, Trade, and War* (Princeton, NJ: Princeton University Press, 1994), ch. 4.

PRC) increased from 14.4 per cent to 24 per cent of total world trade.[30] Intra-regional trade among these states has also increased much faster than the overall export growth since the mid-1980s. All these trades have made regional states much more interdependent than ever before. In a recent study, the World Bank has emphasised that most of the so-called "miracle economies" of the world are concentrated in this region.[31]

In fact, the Asia-Pacific states are at different stages of economic development and have different sociopolitical structures. Japan, the indisputable leader despite its cautiousness, has already become the major supplier of capital and advanced technology in the region through direct foreign investment in Northeast and Southeast Asia. Its presence is enormous and influential, and its economic impact on regional states is either already or potentially unparalleled in scope and intensity. Nonetheless, a number of Japanese commentators have argued that Japan has neither the strength nor the wish to become the dominant power, because the US-Japan economic relationship is important not only for bilateral relations but also for growth and economic relations in the Asia-Pacific region as a whole. In order not to precipitate itself into trade confrontation with the US, Japan's leadership seems technical and sector-specific rather than broadly political, and it is mainly a leadership from behind.[32]

---

[30] Iyanatul Islam and Anis Chowdhury, *Asia-Pacific Economies: A Survey* (London and New York: Routledge, 1997), p. 11.
[31] World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (New York: Oxford University Press, 1993), pp. 1-8.
[32] Alan Rix, "Japan and the Region: Leading from Behind," Higgott, Leaver, and Ravenhill, eds., *Pacific Economic Relations in the 1990s: Cooperation or Conflict?* pp. 62-82; See also K. E. Calder, "Japanese Foreign Economic Policy Formation: Explaining the Reactive State." *World Politics*, Vol. 40, No. 4 (October 1988), pp. 517-41.

The NIEs (Newly Industrial Economies: Singapore, Hong Kong, Taiwan and Korea) are generally considered to be at the next stage of transformation, which refers to the transformation from a labour-intensive economy to one with relatively more technology-intensive and intellectual-intensive industries. These countries have successfully shifted their status from capital recipients to major foreign investors in the region since the mid-1980s. The increases in labour costs in NIEs, as their economies moved up the higher technology ladder, have created chances for the less developed ASEAN-4 and the PRC to follow. For NIEs, the ASEAN-4 and the PRC are relatively abundant in natural resources and low-cost labour supply, and have thus become their first choice for the relocation of production. As a result of their economic achievements, NIEs has been dubbed the "East Asian Miracle" economies. Meanwhile, the ASEAN-4 and the PRC are also at a stage of transformation. They are joining the trend toward market-guided and export-oriented economic development with their traditional labour-intensive products, and are achieving impressive results. The growth rates of most economies remain high. Commercial relations within the region are increasingly rapidly.

The phenomenal growth in intraregional trade and investment flows reflects a vertical division of labour in the region. These developments have both facilitated structural transformation and further enhanced economic integration within the Asia-Pacific region. Some observers, therefore, consider this impressive performance as proof of the advantage of "Flying-Geese Formation," which indicates a spreading "V" shape of economic development. Japan, obviously, plays the leading position, then the NIEs, and then the Southeast Asia and the PRC. It is argued that the "geese" behind Japan will learn from the progress of those up ahead, move into positions, and eventually close the technological gap. If development is to continue, every player

can supposedly improve its position in following the Japanese pattern.[33] As a result, interdependence based on investment and reciprocity will precipitate the path of regional integration. But there are doubts about this scenario.

In contrast to such a simple interpretation of the economic model of the Asia-Pacific region, some analysts, Pekka Korhonen and Mitchell Bernard for instances, argue against the model of "flying Geese Formation" as analogous to the regional economy. Many emphasise that the pattern is nothing but a temporary phenomenon or a frame of reference, for these "geese" are not of the same size or breed, nor are they flying at the same speed.[34] A broader concern with anticipating hostilities about international economic relations involves a re-evaluation of what may constitute a regional bulwark. As the global-oriented and market-guided economies, these "geese" would not accept the short-term and limited intraregional trade benefit at the price of long-term economic development. After all, the Asia-Pacific economies, perhaps more than those in other regions, have based their rapid growth on their global marketing approach. Moreover, the United States, as the largest market for regional products, tends to perceive such an economic pattern more as a threat than as an opportunity or as an engine for American economic prosperity, which has been viewed as the first priority in the post-Cold War period.[35] All these factors have

---

[33] For a more detailed discussion of the "Flying Geese Model," see Pekka Korhonen, "The Theory of the Flying Geese Pattern of Development and its Interpretation," *Journal of Peace Research*, Vol. 31, No. 1, 1994, pp. 93-108; Mitchell Bernard and John Ravenhill, "Beyond Product Cycles and Flying Geese: Regionalism, Hierarchy and the Industrialisation of East Asia," *World Politics,* Vol. 47, No. 2 (January 1995), pp. 179-209; Alvin Y. So and Stephen W. K. Chiu, *East Asia: And the World Economy* (London: SAGA Publication, 1995), pp. 267-272; Duk-Choong Kim, "Open Regionalism in the Pacific : A World of Trading Blocs," *United States Economic Review*, Vol. 64, No. 2, 1992, pp. 79-83;
[34] Glenn Hook, "Japan and the Construction of Asia-Pacific," Gamble and Payne, eds., *Regionalism & World Order*, pp. 182-3 and 225-31.
[35] "Fundamentals of Security for a New Pacific Community," *US Department of State Dispatch: Asia and the Pacific*, Vol. 4, No. 29, July 1993, pp. 509-12.

shown that any strategy for building up regional economic barriers might sometimes do more harm than good to regional economies.

In this regard, the mutual interdependence that comes from the increasing internationalisation of the global and regional economies may be seen as a means by which security can be enhanced. For the Asia-Pacific region, the rapid economic growth based on international markets is also seen as increasing strategic dependence. However, the growing interdependence in the region could present a double-edged sword in the sense that gains could be either reinforced by closer economic co-operation or reduced by increasing the vulnerability of the trading state to pressures from other states in economic terms.[36] Insecurity due to such vulnerability may not easily be resolved. For example, bilateral trade friction has become a constant feature between the US-Japan economic relations. To some extent this is both natural and unavoidable, given the interdependence of the two economies, and there seems no single formula for success in trade negotiations between them.

Another example is the PRC. The West, the US in particular, has from time to time considered economic sanctions against PRC's infringement of human rights, but this has proved to have no effect because the PRC has not yet completely given up its self-sufficiency policy, which it developed to avoid being vulnerable to just such outside pressure on the one hand. At the same time, active efforts to keep the PRC poor would be counter-productive by exacerbating antagonism. Furthermore, using economic weapons against another state, whether by imposing embargoes or targeting particular industries could also incur dangers to oneself. In such circumstances, no

---

[36] Vulnerability, according to Robert O. Keohane and Joseph S. Nye, "can be defined as an actor's liability to suffer costs imposed by external events even after policies have been altered. . . Vulnerability dependence can be measured only by the costliness of making effective adjustments to a changed environment over a period of time. "

Western country would want to be supportive of America in any economic conflict with the PRC which it considered to be the result of misguided United States policy. Therefore, the peaceful evolution associated with economic development and increasing interdependence is regarded as the most favourable option toward the PRC by both the Asia-Pacific states and the West.

It seems that there is always going to be a problem of the distribution of power in the international system. But interdependence may have a mitigating effect on the abuse of power by major actors, because unilateral policies in the contemporary world, even for powerful states, are no longer as useful as they might have been. In theory, economic interdependence can foster interests in co-operation and provide particularly useful ways to promote common welfare as well as reduce the chance of conflict escalation.[37] In practice, high economic growth and the great increase in mutual interdependence in the Asia-Pacific region, as Stuart Harris observes, has indeed changed the basic structure of the security system and reduced potential conflict in the region, although the full implications have yet to unfold. But Harris maintains that all these facts suggest qualified optimism.[38] In the long run, as long as economic co-operation within the region still advances, a sense of community or positive feeling shall develop among people of the different states.

2. 2. 2 INSTITUTION-BUILDING IN THE REGION

See Keohane and Nye, *Power and Interdependence: World Politics in Transition*, p. 13.

[37] Louis Kriesberg, "Regional Conflicts in the Post-Cold War Era: Causes, Dynamics, and Modes of Resolution," Michael T. Klare and Daniel C. Thomas, eds., *World Security: Challenges for a New Century* (New York: ST. Martin's Press, 1994), pp. 155-173.

[38] Stuart Harris, "The Economic Aspects of Security in the Asia/Pacific Region," Desmond Ball, ed., *The Transformation of Security in the Asia/Pacific Region* (London: Frank Cass, 1996), pp. 47-48.

To some analysts, institution-building is a prerequisite for international co-operation, which provides an important mechanism for reducing uncertainty and fears of perfidy, and one by which states may jointly gain and thus mitigate, if not eliminate, the harshest features of international relations emphasised by some pessimists. The cumulative effects of states actions can have profound consequences for the international system. Thus, although states continue to be important international actors, they possess a declining ability to control their own destinies. More importantly, "institutions", in Robert W. Cox's view, "provide ways of dealing with conflicts so as to minimise the use of force."[39] Hence, he stresses that institutions are designed to deter any hegemonic strategy so that the diverse interests of the weak may not be neglected. Keohane regards institutions-building as a project worth preserving for world politics, despite the fact that it is always a frustrating and difficult business, for the existence of institutions may provide governments with a better impetus to achieve common ends. But, at the same time, he warns that "institution-building may be more difficult where security issues are concerned, but is equally essential if co-operation is to be achieved."[40]

If, as some suspect, the transformation of world politics will be primarily concerned with issues of economic opportunity and security, institutions that focus on international co-operation will also rise in salience. Undoubtedly interest in institution-building in the Asia-Pacific region has surged since the end of the Cold War. But the pressure for enhancing regional co-operation has its own logic. Its central feature is the general pervasiveness of uncertainty, which is endemic to the

---

[39] Robert W. Cox, "Social Forces, States and World Orders: Beyond International Relations Theory," Keohane, ed., *Neorealism and Its Critics*, p. 219.
[40] Keohane, *After Hegemony*, pp. 243-47.

65

international system and an inevitable product of sovereignty as the defining characteristic of nation states. This uncertainty is greatly exacerbated in this region, not just because of the collapse of bipolarity and its consequences but also because of the rapidity of change and increasing complexity of security matters. There is no doubt that a widespread apprehension throughout the region has arisen from the growing concerns about seemingly formation of regional economic "fortresses" in Europe and North America. At the same time, the increasing capabilities of some major regional powers (Japan and the PRC) may become another source of instability in the region. All these are important motivations to many involved in the co-operation processes. In other words, economic and political factors are undoubtedly playing larger roles in both shaping the structure of the emerging economic and security frameworks in the Asia-Pacific region and determing important aspects of regional co-operative efforts with regard to security matters.

Unlike the situation in Europe, there are no effective institutional arrangements that could facilitate collective consideration by the states of the Asia-Pacific of security problems, such as the territorial disputes between Japan and Russia and conflict between Asian States and the PRC. APEC and ARF, therefore, have been regarded by many as initial steps for promoting further co-operation in the Asia-Pacific region and have become venues for discussing major regional issues. Although these regional institutions are essentially consultative, they have brought regional states into more regular contact at multilateral gatherings in which a wide range of economic and security matters are dealt with in such a manner as to familiarise different bureaucracies with the concerns of the region as a whole. In this sense, they are seen

by many as useful mechanisms for regional stability and conflict avoidance and management.[41]

In fact, on the economic front, networks of academic economists and policy advisers have been important in the regular Pacific Trade and Development (PAFTAD) meetings since 1960s. Business co-operation groups at the regional level, such as the Pacific Basin Economic Council (PBEC) and the Pacific Economic Co-operation Council (PECC), an informal group consisting of representatives of government, business and academia from fourteen Asia-Pacific states, have contributed to greater understanding among regional states and helped to expand information flows, thus providing a way for regional governments to be involved indirectly while avoiding a formal commitment to an economic co-operation process. As Stuart Harris observes:

> Continued development of co-operation at the broad regional level will involve coalition-building, either to defend the region   interests, including its interest in maintaining the multilateral trading system, and reducing the discriminatory targeting of the region by the United States and EC, or to press a regional view and increase the region's influence in multilateral forums. It will involve in due course growing policy co-operation and implicit, if not explicit, forms of microeconomic policy co-ordination.[42]

The Asia-Pacific Economic co-operation forum (APEC), established in 1989 primarily as the result of an Australian initiative, has been seen as a direct governmental region-wide links. It was initially a meeting at ministerial level

---

[41] Paul M. Evans, "The Prospects for Multilateral Security Co-operation in the Asia/Pacific Region," Desmond Ball, ed., *The Transformation of Security in the Asia/Pacific Region*, pp. 201-216. See also Desmond Ball, "A New Era in Confidence Building: The Second-Track Process in the Asia/Pacific Region," *Security Dialogue*, Vol. 25, No. 2 (June 1994), pp. 157-76.

intended to deal with economic issues. As its significance grew, it was quickly upgraded to an unofficial summit in 1993. Surprisingly, the first official summit, hosted by Indonesia in November 1994, gathered to discuss not only economic but also political and security issues. During the meeting, it was agreed that industrialised economies would achieve the goal of free and open trade and investment no later than 2010 and developing economies no later than 2020. APEC, has thus not only served as an economic organisation for regional states but has also become the primary intergovernmental institution in the region. Indeed, acceptance of such direct governmental links arose from an enhanced appreciation of the needs and potential gains from co-operation. Further, APEC also provides opportunities for developing better personal relations between leaders, which in the Asian context is a necessary basis, although it is still not sufficient, for developing a sense of community.

As APEC has been upgraded to its current status, setting up a permanent secretariat office in Singapore to operate the routine functions of co-ordinating economic and commercial policies among member states, it has become the legitimate institutional framework in the region, on which more effective in the promotion of regional co-operation will be carried out. At the same time, APEC has promoted a wide range of positive developments such as free trade, investment, competition policies, education, transportation, communications, and disaster aid management. Attempts by APEC to engage in constructive confidence-building is an important exercise in learning and support for the institutionalisation of co-operation. It is in this regard that APEC can be termed an "epistemic-like community."[43]

---

[42] Stuart Harris, "Economic Co-operation and Institution Building in the Asia-Pacific Region," in Higgott, Leaver, and Ravenhill, eds., *Pacific Economic Relations in the 1990s: Co-operation or Conflict?*, p. 287.
[43] The term "epistemic communities", according to Peter M. Haas, refers to "a network of professionals with recognised expertise and competence in a particular

68

In the security realm, as indicated earlier, the end of the Cold War and the collapse of bipolarity has changed the strategic landscape of the Asia-Pacific in a way that it is marked by uncertainty and complexity. During the Cold War period, no multilateral security institutions were established for the Asia-Pacific that were comparable to such organisations as the CSCE (Conference on Security and Co-operation in Europe) or collective defence arrangements like NATO (North Atlantic Treaty Organisation). Nevertheless, there did exist certain forms of security co-operation within the region, although they were primarily inspired by external powers. For example, SEATO (the South-East Asia Treaty Organisation), established in 1955, was the institutional expression of collective defence, but it never fulfilled its military role, even during the Vietnam War. ASPAC (the Asia Pacific Council), established in 1966, was an attempt to develop a grouping of anti-communist states in the region, but it too failed to develop widespread support. Another notable example was ASA (the Association of Southeast Asia). Unlike SEATO and ASPAC, ASA was purely regional, but it had little success because of its political similarity to SEATO. These developments highlighted the difficulties of congruence between ideological and strategic affinities. Interestingly, the bilateral alliances manipulated by the United States survived. Perhaps the major achievement of this type of security co-operation to American partners (Korea, Taiwan and ASEAN) in the region was their remarkable economic growth.[44] Not surprisingly, this bilateral framework on security co-operation is still seen by many as a major stabiliser in the region nowadays. Hence, the basic structure

---

domain or issue-area." See Peter M. Haas, "Introduction: Epistemic Communities and International Policy Co-ordination," *International Organisation*, Vol. 46, No. 1 (Winter 1992), pp. 1-35; and Richard Higgott, "Competing Theoretical Approaches to International Co-operation: Implications for the Asia-Pacific," Higgott, Leaver, and Ravenhill, eds., *Pacific Economic Relations in the 1990s: Co-operation or Conflict?* pp. 290-311.

[44] Yahuda, *The International Politics of the Asia-Pacific 1945-1995*, pp. 10-13.

of regional security, as well as providing domestic market for its partners, was designed by the United States through the exercise of hegemonic power, and the bilateral alliances were merely a reflection of American strategy that was driven by the global struggle with the Soviet Union in the Cold War era.

From the historical perspective of international politics, security co-operation in the Asia-Pacific is apparently harder to achieve than economic co-operation. There were no regionwide political institutions that linked together the various parts of the region, for they might directly impinge on the key issue of sovereignty. It is surprised, as some analysts have argued, that the Asia-Pacific region is virtually no effective multilateralism to conduct regional relations, and "the leap from economic multilateralism to multilateral security planning is not yet in sight."[45] Nevertheless, there can be no doubt that the Asia-Pacific region has been moving toward security multilateralism since the establishment of the ASEAN Regional Forum in 1993, despite the fact that most of its members have accepted that it is an embryonic, rather than a fully-fledged, security organisation, and there is little likelihood at this stage that ARF has sufficient institutional strength to mitigate any substantial tensions between regional states. In this respect, the ARF is considered to represent a crucial step in setting up the first multilateral meeting to discuss security issues in the Asia-Pacific region.

Another major thrust for regional security co-operation was the creation of CSCAP (Council for Security Co-operation in Asia Pacific) in June 1993.[46] Basically, this represents a non-governmental effort to promote multilateral security co-operation,

---

[45] Quoted in Richard K. Betts, "Wealth, Power, and Instability: East Asia and the United States after the Cold War," *International Security*, Vol. 18, No. 3 (Winter 1993/94), p. 72; Buzan and Segal, "Rethinking East Asia Security," pp. 15-18.

and its initiative is commonly described as "second track diplomacy", complementing the official ARF process.[47] Moreover, its purpose in creating a more structural regional process that is open to all states and territories in the region has been regarded as an important element for confidence and security building measures (CSBMs) and might be seen to have a useful role in promoting regional transparency.

In sum, if recent trends of institution-building in the Asia-Pacific region suggest that the future development and habits of co-operation can be learned from the past, then the maxim that "the lessons of history are seldom clear and often deceptive"[48] may not be true. This is not to overstate the speed or breadth of this process, but to point to its significance over time. Institution-building certainly requires a heightened learning function in international relations if the pursuit of national interests is not to mitigate co-operative behaviour. Evidences cited above show that there has been positive progresses in international co-operation within the region. More importantly, the habits of co-operation are now beginning to be clearly perceived in the region. Any such organisation, as Miles Kahler observes, "is an insurance: its initial premiums should be kept low because the risks and the eventual pay-off are highly uncertain. The task at hand is to sell the insurance to governments that remain sceptical."[49] Obviously, all such processes will ultimately need the decision-making

---

[46] Its current members include: Japan, South Korea, the Philippines, Singapore, Malaysia, Indonesia, Thailand, New Zealand, Australia, Canada, and the United States.

[47] Paul M. Evans, "Building Security: The Council for Security Co-operation in Asia Pacific (CSCAP)", *Pacific Review*, Vol. 7, No. 2, 1994, pp. 125-40. See also in Ball's "A New Era in Confidence Building: The Second-Track Process in the Asia/Pacific Region," pp. 157-76.

[48] Buzan and Segal, "Rethinking East Asian Security," p. 4.

[49] Miles Kahler, "Institution-building in the Pacific," Andrew Mack and John Ravenhill, eds., *Pacific Co-operation: Building Economic and Security Regimes in the Asia-Pacific Region* (Sydney: Allen & Unwin), pp. 38-39.

abilities of political elites, and any problem-solving approaches proposed by either academics or politicians need to be carefully scrutinised.

2. 3 MAJOR CONSTRAINTS ON REGIONAL CO-OPERATION

2. 3. 1 COMPETING LEADERSHIP

Viewed from the perspective of the traditional balance of power, the situation in the Asia-Pacific has now ended with increasing multipolarity, which indicates that the states in the region now have a broader range of potential alliance options. Viewed from the perspective of political economy, the era of American hegemony is also past since the cost that the US bore during the Cold War for ideological and foreign policy reasons now seems unbearable to most Americans. This signals that the US might change its behaviour and recalculate its long-term interests in the Asia-Pacific region. The formation of NAFTA (the North American Free Trade Agreement), an emergence of a new subregion in the Americas after June 1990, could be viewed as a clear reflection of the transformation of American strategy in the post Cold War era.

Logically, as the only and by far most powerful member of the international community, the United States has the least to lose from a defection away from multilateralism, while the weakest states have the most to lose. However, as argued by Richard Higgott, "uncertainty about the behaviour of major actors is more damaging to the confidence and strength of a regime than recidivist behaviour by smaller players."[50] The United States has a consistent trade deficit with most states in the

---

[50] Richard Higgott, "APEC—A Sceptical View," Mack and Ravenhill, eds., *Pacific Co-operation. Building Economic and Security Regimes in the Asia-Pacific Region*, p. 80.

region. If the US were to turn in a more protectionist direction, then the regional states might form their own protective cordon, for the relations among regional states more closely resemble a situation of complex interdependence. Under such circumstances, the cost for all would be high. Hence, it appears that a joint gain could be achieved for the US and its Asian trading partners through multilateral institutions. It is, furthermore, generally accepted that multilateral arrangements more often than not are underpinned by the understandings of Great powers.

Paradoxically, the preference for bilateral ties, and a state-centred power-based approach rather than a rules-based system for both political and economic issues, as well as an overemphasis Western values and culture for the United States in the Asia-Pacific region has the potential for creating frictions with regional states. The key bilateral relationships, involving the US, Japan and the PRC, are all complex arrangements of competition and co-operation. One of the most notable rifts between the US and regional states is centred on the definition of the region. "Asia-Pacific" and "East Asia" are the cores around which attempts are now being made by regional states to reconstruct regional identities.

APEC, expressive of market-led understanding of the identity of the region, is seen as a political goal to include a broadly defined Asia-Pacific region. The initial American response to APEC, as indicated in the previous section, was "wait and see." For Americans, this new institution in the Asia-Pacific region was regarded as uncertain and suspect, and no visible interests immediately served the objective of upholding stability. Indeed, much of the motivation for APEC arose because it was seen as, on the one hand alternative to a dominant American leadership role and, on the other hand a forum to reduce US-Japan trade conflict. To a certain degree, the US role seemed to promote APEC as an arena for trade liberalisation and open

regionalism rather than a vehicle for multilateral consultations. In addition, an open APEC would reduce the risk of NAFTA exclusivism.[51]

It was not until 1993 that the US showed real interest in the APEC forum, although the announced priority of the Clinton administration still focused on bilateral issues and regional concerns in the Americas. The character of APEC changed as a result of an initiative by the US government at the Seattle summit in 1993 to hold a meeting of APEC's political leaders for creating a so-called "New Pacific Community."[52] Getting involved with APEC, in a sense, represents a new US strategy for projecting itself into the "Asia-Pacific." To some extent, it serves primarily as a tool for prising open fast-growing Asian markets and for pressing Europe into further trade concessions. In this respect, an APEC-based free and open trade project that the Clinton administration officially endorses and actively defines as an opportunity for trade liberalisation is conceptualised by some analysts as "open regionalism."[53]

In response to the formation of APEC, the establishment of an EAEG (East Asian Economic Group, later caucus in place of group, EAEC), which grouped together ASEAN and Northeast Asian states, including Japan and the PRC, but excluded the US and other western states, was publicly proposed by Malaysian Prime Minister Mohammed Mahathir in 1990 in the name of "look East." While the declared aim is to promote economic co-operation and the liberalisation of trade in East Asia, the real intention seems to be independence within the APEC framework. The proposal maintains that EAEC is not a "subordinate organisation of APEC, and has no

---

[51] Robert A. Scalapino, "The US Commitment to Asia," Desmond Ball, ed., *The Transformation of Security in the Asia/Pacific Region*, p. 74.
[52] *Washington Post*, July 8, 1993.
[53] P. Drysdale and R. Garnau, "The Pacific: An Application of a General Theory of Economic Integration", C. F. Bergsten and M. Noland, eds., *Pacific Dynamism and the International Economic System* (Washington DC: Institute for International Economics, 1993), pp. 183-224.

obligation to report on agenda items."[54] Clearly, attempts by Mahathir not to have the US dominate economic policy in the region and to engage in confrontation with APEC have great potential to be divisive in the Asia-Pacific region. Despite the fact that the concept of such a grouping has received a lukewarm response from regional states due to America's strong objection, this proposal has some attractions for a number of regional governments, especially for ASEAN states.

Basically, the EAEC proposal was in many ways a logical response to events. First, it was a response to challenges coming from the trend of global regionalism. Since the major interest of the US is in developing the NAFTA trade bloc, Mahathir has justified his proposal in terms of East Asia establishing its own bloc without the US and Western states. As Malaysia Finance Minister, Anwar Ibrahim, put it, "the East Asian Group should be able to sit with North America or Europe on an equal footing. This would not be possible if we relied on APEC because the US and Canada also belong to the North America free trade area."[55] Moreover, a suspicion that APEC may become a vehicle for advancing American trade policy also deters regional states from further co-operation.

Second, from the perspective of economic structure, the EAEC members share a common network-based type of economy. This type of economic structure differs from Western firm based economy. According to Linda Low's analysis, the network-based economy operates essentially through "market forces" on the basis of a relocation of production networks which forms a web of production, sourcing and

---

[54] *Asahi Shimbun*, 30 August 1994.
[55] Quoted in David Camroux, *Looking East and Defining Inwards: Malaysia as a Self Conscious Middle Power During the Mahathir Era, 1981-93* (Brisbane: Griffith University, Centre for the Study of Australian Asian Relations, 1993), pp. 33-4. See also Bernard K. Gordon, "Southeast Asia After the Cold War," Hsiung, ed., *Asia Pacific in the New World Politics*, pp. 149-52.

75

distribution. Members of this network become closely integrated with each other. In Low's view, the trend is likely to accelerate.[56]

Third, the suspicions which many regional states, especially the ASEAN states, inherited from the colonial period and the Cold War legacy have left them with highly sensitive attitude to their sovereignty. This common political perception and shared value might be diluted by the growing legitimacy of APEC. Hence, most ASEAN states disagree with any possibility of APEC impinging on their sovereignty, just as EU in relation to its member states.[57] More importantly, the threat of APEC augmentation could be a replication of power politics that reduces the importance of the smaller members, which means that preserving a distinct voice is difficult, and less powerful ASEAN states may be ruled out from any core circle. Under these circumstances, their interests would be better served if Japan and the US counterbalance each other, and the EAEC makes much more sense than does a wider APEC. As Mahathir has noted, his group of countries seems to have something in common both with regard to attitudes towards economic development and also culturally."[58]

Fourth, Japan, as the only industrially developed state in the proposal, is at the core of competitive projects to reshape relations around the regional identities of "East Asia" and "Asia-Pacific." In Mahathir's view, Japan has a definite role to act as the "voice of Asia" both in an economic and a political sense. This "voice of Asia" would obviously be a different voice to APEC. Indeed, Japan has been at pains to form an Asian order that accepts it as a power without military force. For example,

---

[56] Linda Low, "The East Asian Economic Grouping", *The Pacific Review*, Vol. 4, No. 4, 1991, pp. 375-82.
[57] *Far Eastern Economic Review*, 2 December, 1993, p. 12.

Japan has replaced the US as a principal market for Asian manufacturing products and has become by far the largest investor in its East Asian neighbours. Without doubt, Japan has become a key economy in both Southeast and in East Asia. Its political-security role is also growing.[59] Mahathir's proposal, therefore, is echoed by those in Japan who call for a "return to Asia." There are even reports that the EAEG idea did not originally come from the Malaysian Prime Minister but was initially from Japan, probably a response to the US NAFTA initiative.[60] From the start the Japanese government has been two-faced on the matter, neither expressing support for Mahathir's proposal nor open opposition. The policies of trying to placate Asians and at the same time please the US has put the Japanese government in a quandary. Perhaps, Japan needs to remain ambivalent about EAEC because of its sensitivity to an East Asian regional identity.

However, the implications of the initial Japanese response to the EAEC proposal, to many Americans, could be tantamount to a new Japanese domination in Asia. In other words, this situation presented a serious challenge to US interests in the region. Concealed underneath the more melodramatic trade friction across the Pacific was the genuine concern in the nation that Japan was fast turning Asia into a collective economic superpower, somewhat like the abortive Great East Asian Co-prosperity Sphere, from which American and other Western states would be shut out. In order to press the Japanese government to identify with Asia-Pacific rather than East Asia, the

---

[58] Quoted in Richard Higgott and Richard Stubbs, "Competing Conceptions of Economic Regionalism: APEC Versus EAEC in the Asia Pacific", *Review of International Political Economy*, Vol. 2, No. 3 (Summer 1995), p. 525.
[59] Ibid., pp. 527-528.
[60] Bernard K. Gordon, "Japan: Searching Once Again," Hsiung, ed., *Asia Pacific in the New World Politics*, pp. 65-68. See also Chalmers Johnson, "History Restarted: Japanese-American Relations at the End of the Century," in Higgott, Leaver, and Ravenhill, eds., *Pacific Economic Relations in the 1990s: Co-operation or Conflict?* pp. 54-56.

Clinton government has been acting to prevent the creation of a common East Asian identity incompatible with US interests. Certainly, the American opposition was crucial in shaping Japanese attitudes, despite significant unofficial Japanese sympathy and support for the idea, and thereafter the Japanese government grew more negative, refusing even to discuss the topic when Mahathir visited Tokyo in December 1991. Other members of EAEC, which are primarily export-oriented economies and heavily dependent on the large American markets, are clearly vulnerable to US pressure. Thus, they have been wary of the EAEC and would rather have Japan as a link to the US than as a champion of Asian interests in competition with the US.

To be explicit on the competition between these two organisations, it is clear that APEC has succeeded and EAEC has become a subgroup within APEC. But it is not simply a contest to see which of two competing economic organisations is the winner. It is important to note that economic co-operation in the Asia-Pacific region needs to take the political, historical and cultural dimensions of economic organisation into consideration.[61] In some respects, the emergence of EAEC may embody a response to a perception of undue Western pressure and perhaps a reassertion of Asian values. More precisely, the fact that Mahathir expressed such concerns in public revealed the degree to which the cohesive bonds of the Cold War coalition had weakened, lowering the costs of squabbling for small states.

Obviously, there is no quantitative methodology that can predict precisely what long-term future economic co-operation will be for a region as complex as the Asia-Pacific. It would also be misleading to try to make a single forecast. However, it is useful to try to identify what clusters of issues are likely to develop and how the

---

[61] Higgott and Stubbs, "Competing Conceptions of Economic Regionalism: APEC Versus EAEC in the Asia Pacific", p. 531.

78

present choice for the Asia-Pacific states, including East Asian states and North America, may affect future alternatives, although the potential for a split still exists.

2. 3. 2 UNCERTAIN TRANSFORMATION

A consequence of the end of the Cold War, as indicated earlier, is the decline of states' concerns for military security in favour of economic security. This is not to suggest that military security can be totally replaced by economic security. In fact, as Barry Buzan and Gerald Segal argue, economic interdependence in itself is insufficient to eliminate the chance of military conflict. Without a regular basis to enable states to communicate, the Asia-Pacific region faces a perilous and uncertain future.[62] In this sense, it is true that during a period of transition, when former allies may turn out to be potential adversaries as, for example (in trade matters), and former neutrals may turn out to be real or potential allies, states have to rely on their own means to protect their interests in the face of uncertainty. According to the realist assumption, when the pace of global and regional change is somewhat bewildering and the lines between allies and adversaries are blurring, the military security of a state always becomes the first priority. The end of the Cold War may have removed the threat of a large-scale global conflict, but the possibilities of small-scale regional conflicts still abound in the region. Conflicts that are most difficult to resolve, as one scholar observes, involve "long-held suspicions with their historic roots, as well as religious and ethnic differences."[63]

---

[62] Buzan and Segal, "Rethinking East Asian Security," pp. 3-7.
[63] Bernard K. Gordon, "The Asian-Pacific Rim", *Foreign Affairs*, Vol. 70, No. 1 (Fall 1991), p. 154.

In the Asia-Pacific region, a conviction that economic growth, development, internal unity and regional stability are inextricably linked has led in their case to the articulation of a variety of multidimensional security policies which include, but do not privilege, national defence. The possible presumption that economic development is as important to the survival of a state as national security means that the level of military spending is heavily dependent on the state of government finances. Uncertainty about the implications of the end of the Cold War for regional security is one of the major factors contributing to that perception. Moreover, the threat of an increase in Japanese and PRC influences in the region, meaning a relative decline in US influence, will be even more acute. Taken together, these factors suggest a remarkable degree of political fragmentation and hostility as the defining feature of the region's international relations. And those who used to look to the US to hold a stable balance of power in the region have to worry about its effectiveness when faced with a relative decline of American power and a fast changing security outlook for the region. Under these circumstances, the prospects for international co-operation in the region seem rather pessimistic.

In the past two decades, Asian stability, according to Donald S. Zagoria, has been based on five pillars: a network of bilateral security co-operation between the US and its allies, the US-Japan alliance, the increasing trend of regional integration, increasing modernisation and reform within Asian communist states, and the impressive economic performance of the region. Furthermore, Zagoria has categorised five potential threats to regional stability in the future. They are: unpredictable North Korea, unresolved territorial disputes over the Spratly Islands, domestic instability in the PRC and Vietnam, the gradual erosion of US-Japan

relations, and the increasing withdrawal of American forces.[64] Zagoria concludes that the US will be concerned less with the old task of containing the former Soviet Union and more with bargaining the relations among a number of possible regional powers. This is akin to Great Britain's role in nineteenth century Europe. Muthiah Alagappa makes a parallel statement in reviewing the new strategic environment in the Asia-Pacific region. Emphasising the benefits of maintaining regional stability by introducing external powers such as the US, he then terms this a "balance of presence."[65]

The basic premise of the balance of power, as noted in chapter one, is the concept that peace will result when power is distributed so that no one state has sufficient power to overwhelm the others. According to this theory, war is prevented when there exists rough parity in the capabilities of the major states. Conversely, war tends to break out when a state has a substantial capability edge over its adversaries. Hegemonic stability, therefore, is said to be able to provide public good, especially for small states. However, this theory's expectations were not fully supported by empirical evidence during the Cold War era, when such hegemony actually led to more, not less, armed conflict in the Asia-Pacific region.

Since the end of the Cold War there has been much talk about the need to maintain a balance of power in the region, but rhetoric obscures an interpretation of the concept that is quite different to that understood in the old multipolar Europe. The end of bipolarity actually provides a broad option for regional states to feel free to align themselves with any regional powers, even with external powers. Ironically, most of

---

[64] Donald S. Zagoria, "The Changing US Role in Asian Security in the 1990s," Sheldon W. Simon, ed., *East Asia Security in the Post-Cold War Era* (New York: M. E. Sharpe, 1993), pp. 45-58.

the regional states, ASEAN states in particular, are strongly opposed to balancing themselves against the larger regional powers, considering this to be antagonistic and counter-productive, and preferring external powers to maintain the balance of power while themselves pursuing a policy of dialogue and engagement.[66] For example, in 1996 ASEAN brought India into the regional framework to counterbalance the PRC.

Indeed, most regional elites currently have an interest in pursuing a long peace for the region, but they prefer an approach to dispute settlement that contrasts markedly with the legal agreements, formality, and public disputation that have come to characterise international relations in Western states. It is possible that such a preference may have implications for the development of regional security regimes, offering the example of a less structured approach to multilateral security. This may also imply the institutionalisation of co-operative activity in the Asia-Pacific region in a distinctly Asian way. In other words, a general sense of co-operation in the Western world may have a different interpretation in the Asia-Pacific states. In K. J. Holsti's view, "Western predilections for creating organisations and formal structures, deciding modalities and delineating responsibilities are disdained. The Asian way stresses patience, informality, consensus and evolution."[67] In this respect, it implies that maintaining regional stability may not be achieved in the form of a legal decision. Negotiation and compromise are more likely than binding formal agreements to yield an outcome acceptable to both parties.

---

[65] Muthiah Alagappa, "Regional Arrangements and International Security in Southeast Asia: Going Beyond Zopfan," *Contemporary Southeast Asia*, Vol. 12, No. 4 (March 1991), p. 280.
[66] Ibid. See also Paul Dibb, *Towards A New Balance of Power in Asia* (London: IISS, Adelphi Paper 295, 1995), pp. 39-43; Desmond Ball, "Strategic Culture in the Asia-Pacific Region," *Security Studies*, Vol. 13, No. 1 (Autumn 1993), pp. 44-74.
[67] K. J Holsti, "International Theory and War in Third World," Brian L. Job, ed., *The Insecurity Dilemma: National Security of Third World States* (Boulder, CO: Lynne Rienner, 1992), p. 18.

Conclusion

In sum, this chapter has found that the Asia-Pacific region is in a state of flux, or perhaps it is better to describe it as being in a process of transition from the bipolar era to a future that has yet to take shape. In a sense, realists may be correct because there is plenty of evidence available to point to the enduring presence of insecurity in the Asia-Pacific international system, ranging from the threat of political instability, and territorial disputes to the existence of local wars. States, therefore, in an unorganised realm have to put themselves in a position to be able to take care of themselves since no one else can be counted on to do so. However, in relative terms, realists may lack precision because there are grounds for optimism that some improvements will carry positive effects, such as economic integration, institution-building, and benign international environments. The ASEAN states, without doubt, are at the forefront of such activity and play a very important role in maintaining regional stability. This is the subject of the next chapter.

Table 1.1 Share of Asia-Pacific economies in world trade, 1980-1992
        (Exports % of world share)

Region	1980	1985	1989	1992
Asian NIEs	4. 0	6. 3	8. 5	9. 4
ASEAN-4	2. 5	2. 5	2. 6	3. 1
China (PRC)	1. 0	1. 5	1. 8	2. 2
Japan	6. 9	9. 8	9. 4	9. 3
(USA)	(11. 6)	(11. 8)	(12. 5)	(12. 3)
Total	14. 4	20. 1	22. 3	24
(Total)	(26)	(31. 9)	(34. 8)	(36. 3)

Table 1. 2 Share of Asia-Pacific economies in world trade, 1989-1992
        (Imports % of world share)

Region	1980	1985	1989	1992
Asian NIEs	4. 5	5. 7	7. 9	9. 3
ASEAN-4	2. 0	2. 0	2. 5	3. 3
China (PRC)	1. 0	2. 2	1. 9	2. 0
Japan	7. 3	6. 9	6. 9	6. 2
(USA)	(13. 2)	(19. 1)	(15. 1)	(14. 7)
Total	14. 8	16. 8	19. 2	20. 8
(Total)	(28)	(35. 9)	(34. 3)	(35. 5)

Sources: Islam and Chowdhury, *Asia-Pacific Economies: A Survey*, p. 11; The World Development Report 1991.

CHAPTER 3

ASEAN: A UNIQUE MODE OF CO-OPERATION?

Following the argument highlighted in the previous chapter, this chapter continues the historical account by describing the mode of co-operation that has evolved in the Southeast Asian region from the establishment of ASEAN in 1967. The purpose is to provide a historical analysis by identifying the most important causes for the co-operation among ASEAN members. More importantly, my analysis also supports the argument that a non-Western style co-operative institution can operate effectively in international co-operation, albeit in its own unique way.

The first section of this chapter begins with a brief discussion of ASEAN evolution and its key characteristics and also argue that the uncertainties of the strategic environment of the Cold War era have not led to a situation of falling dominoes in Southeast Asian states, as had been feared. Moreover, since the end of the Cold War, instead of degenerating into economic and political chaos, instability and obscurity, the regional states have entered into a period of transformation and relative peace and stability, despite all of the limitations and constraints mentioned in the previous chapter. Rather, as some believe, we may point to at least five positive developments in the first part of 1990s: such as the termination of the danger of global conventional or nuclear war involving the superpowers, high-speed economic growth, the peaceful settlement in Cambodia, the integration of Indo-Chinese states into ASEAN, and the cessation of communist insurgencies in the region.[1] A closer examination of these

---

[1] Trevor Findlay, "South-East Asia and the New Asia-Pacific Security Dialogue," *SIPRI*, Yearbook, 1994, pp. 125-129. See also Zagoria, "The Changing US Role in Asian Security in the 1990s," pp. 45-58.

developments reveals that the ASEAN organisation has long been playing a crucial role in promoting regional stability. As Haas has pointed out " international relations in Asia today, to a large extent, consist of a set of mirrors reflecting the Association of Southeast Asian Nations . . . the result is the 'ASEANization' of Asian regional co-operation."[2]

It is in this regard that the second section of this chapter presents an analysis of ASEAN's main achievements and contributions to the region. ASEAN has frequently been cited as a successful example of Third World co-operation, and there is no reason to deny its contribution to regional stability. Its experiences suggest that the commitment of the member states has been sustained by the benefits and advantages that ASEAN provides beyond the announced objective of economic co-operation.

However, some, Michael Leifer and Paul Dib for example, are more dubious about ASEAN's capability as a guide to the present or the future in the region. Harder test may be applied in a rapidly changing regional environments which included the evolution of new power structures, a region-wide arms build-up, renewed territorial disputes, and a possible defection of some member states. These developments mark a period of dramatic and profound change in the context of new security concerns. What is less clear is whether these changes can be peacefully and effectively managed by ASEAN. Furthermore, in such times, will those beneficial factors still prove adequate for the continued relevance and hence, maintenance, of ASEAN? If so, what are the implications? Or is there any new pattern applicable to ASEAN? The final section of this chapter considers some of the challenges from a theoretical perspective.

3. 1 CHARACTERISTICS

[2] Michael Haas, *The Asian Way of Peace: A Story of Regional Co-operation* (New

3. 1. 1 ADAPTABILITY

Adaptation, according to Charles E. Ziegler's definition, means to make a suitable change for a purpose or adjust to new conditions within existing structures. It does not "challenge the dominant motivating ideology, basic system values, decision-making structures, or central goals of an organisation," and an "adaptive behaviour seeks to preserve the existing order."[3] Adaptability, therefore, is said to be capable of maintaining the status quo. Logically, the above definition is similar to the core assumption of many meanings in balance of power theory, in which there is relatively widespread satisfaction with the distribution of power. More precisely, adaptability refers to a fluid situation where all essential actors preserve their identity, integrity and independence through the balancing process, which is related to the maintenance of the system and status quo.

ASEAN came into being in 1967 mainly as a result of the desire of its five original members (Malaysia, Singapore, Indonesia, Thailand, and the Philippines; Brunei joined the organisation in 1984) to create a mechanism which could contribute to peace and stability in intra-regional relations. The initial purpose, a proposal for alleviating the tensions between Indonesia and Malaysia, was not to form a military alliance but to act as an instrument for the prevention and resolution of disputes among its members. In this respect, ASEAN's formation seemed certainly inapplicable to the balance of power theory, for it did not encourage military alignments, nor was it an organisation designed to deter potential aggressors. In fact,

---

York: Praeger. 1989), p. 282.
[3] Charles E. Ziegler, *Foreign Policy and East Asia: Learning and adaptation in the Gorbachev Era* (Cambridge: Cambridge University Press, 1993), pp. 12-14.

87

there was no common threat perceived by its member states, and its precise interests and future role were uncertain. As Rajaratnam, the former Foreign Minister of Singapore, recalled, This was "because at that time, we ourselves having launched ASEAN, were not quite sure where it was going or whether it was going anywhere at all."[4] Nevertheless, in terms of ideals, it was established as an organisation for the purpose of terminating confrontation within member states, confining itself to a generalised appeal to "good understanding, good neighbourliness and meaningful co-operation."[5] More importantly, a consensus made by ASEAN member states from the outset emphasised the inviolability of national sovereignty, territorial integrity, and the peaceful settlement of disputes.

Interestingly, although ASEAN's creation was based on the belief that a united front against external challenges would strengthen the capability of each state to ensure its own integrity, and that foreign bases were temporary expedients, most of ASEAN member states, Thailand, Malaysia, Singapore, and the Philippines, accepted that reliance upon friendly outside powers for security guarantees was necessary. For example, the ZOPFAN (Zone of Peace, Freedom and Neutrality) proposal, initiated by the Malaysian government and signed in 1971 by all member states of ASEAN in the hope that Southeast Asian states might be freed from all forms of interference by external powers, had proved impractical. The major problem in implementation was the absence of a consensus, and most of the ASEAN members had serious reservations

---

[4] Quoted in Michael Leifer, "The ASEAN States and the Progress of Regional Co-operation in Southeast Asia," in B. Dahm and W. Draguhn, eds., *Politics, Society and Economy in the ASEAN States* (Wiesbaden: Harrossowitz, 1975), p. 4.
[5] Frank Frost, "Introduction: ASEAN since 1967—Origins, Evolution and Recent Development," Alison Broinowski, ed., *ASEAN into the 1990s* (London: Macmillan Press, 1990), pp. 4-5.

about the proposal.[6] Obviously, at the inception of ASEAN, the member states did not articulate an operational doctrine of regional security to which they were all committed, and the organisation was marked by strong divergences of view and interests which highlighted their different security perspectives which reflected on their alliance with external powers. In Sheldon W. Simon   view, this structural incapacity to protect its own member states from the interference of external powers in local conflicts, caused most ASEAN states to become entangled in power competition with outside powers for years.[7]

It came as little surprise that during the early years of its formation, ASEAN's progress was limited. This was partly because of the different priorities of the member states in nation-building and the problem of reaching consensus, especially under the conditions that most member governments had no experience of co-operating with each others. In fact, none of the member states in the early years of ASEAN's establishment was free from internal turmoils, for example racial, ethnic and communist-backed insurgencies. Moreover, the fear of legacy of colonial rule that left them highly suspicious about others intentions had never diminished. There was, as a result, little scope for the development of co-operation. The situation of these states, as one scholar puts it, "encompassed a wider task than the enormous problems of seeking to establish good governance."[8] Indeed, for members of ASEAN, security could not be acquired through mere diplomatic solidarity provided by the organisation in the face of a climate of instability. The major task for these states was how to survive. A good example of this view comes from Hans H. Indorf:

[6] Michael Leifer, *ASEAN and the Security of South-East Asia* (London and New York: Routledge, 1989), p. 55.
[7] Sheldon W. Simon, "ASEAN Security in the 1990s," Broinowski, ed., *ASEAN into the 1990s*, pp. 113-114.
[8] Yahuda, *The International Politics of the Asia-Pacific 1945-1995*, p. 38.

For small states at the circumference of superpower activity, the philosophical foundations for security must be viewed in a total context. The ultimate criterion for policy is survival, not victory . . . If the survival of the small states is at stake, there is need for considering new approaches to old practices.[9]

Similarly, reviewing ASEAN's concrete achievements in its early years, as Michael Leifer argues, "the association had achieved no more than a modest performance as a basis for continued existence" and "ASEAN has a viable, if less than remarkable future."[10] "The most noticeable achievement of ASEAN to date is its survival for almost nine years,"[11] stated by Indorf in 1975. For ASEAN itself, the main problem of its initial stage lay not in how to operate efficiently but how to survive properly. And the habit of co-operation actually took time to cultivate. In this regard, the above assessments were no doubt reasonable at the time.

Despite the evident gap between declaratory intent and operational reality as well as its limited formal co-operative projects, ASEAN was seen by its member states as an important venue for consultation which had enabled a pattern of regular contacts to reduce potential conflict and provided a basis for further co-operation. One of the most noticeable changes in ASEAN's attitude came after the end of Vietnam War. In response to a sudden change in the regional security environment of ASEAN, the Bali summit was held in 1976 and reached two major agreements: the Declaration of ASEAN Concord and the Treaty of Amity and Co-operation (TAC) in Southeast Asia. The following six norms taken from the document at that summit were especially

---

[9] Hans H. Indorf, *Strategies for Small-State Survival* (Singapore: National University of Singapore, 1985), pp. 1-2.
[10] Quoted in Frost, "Introduction: ASEAN since 1967—Origins, Evolution and Recent Development," Broinowski, ed., *ASEAN into the 1990s,* p. 7.
[11] Hans H. Indorf, *ASEAN: Problems and Prospects,* Occasional Paper No. 38 (Singapore: Institute of Southeast Asian Studies ISEAS, 1975), p. 54.

relevant to the performance of ASEAN adaptability in regional conflict resolution: 1) Mutual respect for the independence, sovereignty, territorial integrity of all nations; 2) The right of every state to lead its national existence free from external interference, subversion and coercion; 3) Non-interference in the internal affairs of one another; 4) Settlement of differences and disputes by peaceful means; 5) Renunciation of the threat of use of force; and 6) Effective co-operation among themselves.[12]

The need for such a declaration was part of the threat of regional instability commonly perceived by ASEAN states, especially the challenge posed by the communist victories in Indochina and the threat of Vietnamese expansionism. It was also aimed at strengthening unity and co-operation among ASEAN member states and building a bridge for Indochina.[13] The most significant features of the Bali summit were that ASEAN became more cohesive by assuming a defined political role, and it held out the prospects of the Indochinese states becoming associated with ASEAN through a Treaty of Amity and Co-operation. Without doubt, this represented a highly flexible response by ASEAN members to the change of external situation. In the case of Vietnam's occupation of Cambodia, ASEAN's unanimous support for Thailand proved exemplary. More importantly, an effective collective role at the United Nations against Vietnam's invasion raised world-wide esteem for ASEAN. Admittedly, such a mechanism, providing a framework within which members could discuss their common concerns and differences in a "neutral atmosphere", served as a useful purpose for building confidence and trust, and in this regard the so-called "ASEAN spirit" gradually formed. For some observers, ASEAN's performance has

---

[12] ASEAN Documents: Treaty of Amity and Co-operation in Southeast Asia, Article 2, ASEAN Secretariat Jakarta, June 1978.
[13] Leifer, *Dictionary of the Modern Politics of South-East Asia*, p. 256.

been characterised as " a loose framework which can accommodate changes" [14] and in which its members perceive any drastic change of government within any one of the members as the greatest threat to the survival of all. Indeed, the reaction of ASEAN states to an uncertain Indochina indicated a common strategic concern for possible regional instability in the future. And the existence of different emphases did not undermine the efforts of co-operation among member states.

In general, what has emerged from the discussion above is a picture of ASEAN development since its inception in 1967. Interestingly, in contemplating the records and prospects of ASEAN, little progress was made in the early years, but its subsequent efforts to promote regional co-operation were encouraging. Its adaptability under different strategic situations and flexibility in various period deserves to be noticed. Hence five major factors can be singled out as dynamics of ASEAN's adaptability.

First, ASEAN's roots were purely regional, and it was not considered to be an implantation from foreign models. Before ASEAN was established, the record of regional co-operation had been chequered, as in the development of SEATO (the South-East Asia Treaty Organisation 1955-1977) and ASA (the Association of South-East Asia 1961-1967). The combination of the colonial experience of all ASEAN states, as their shared cultural legacy, reflect on the concept of "ASEAN identity," implying the exclusion of any external interferences after their independence. [15] Obviously, the "like-minded" consensus on regional issues is one of essential elements

[14] Khong Kim Hoong and Abdul Razak Abdullah, "Security Co-operation in ASEAN," *Contemporary Southeast Asia*, Vol. 9, No. 2, (1987, pp. 137-138. See also Arnfinn Jorgensen-Dahl, "The Significance of ASEAN," *World Review*, Vol. 19, No. 3 (August 1980), pp. 55-59; M. Pathmanathan, *The Pacific Settlement of Disputes in Regional Organisation: A Comparative Perspective of the OAS, OAU and ASEAN* (Kuala Lumpur: University of Malaya, Faculty of Economics and Administration, 1978), p. 20.

if ASEAN is to play a key role not only in pushing Southeast Asia in the direction of regional integration but also in encouraging Asia-Pacific-wide co-operation.

Second, ASEAN's declaratory intent was economic rather than political. From the outset, the member states of ASEAN did not articulate any political purpose, which tended to make co-operation more difficult, although its operational reality was to form an embryonic security community.[16] The advantages of pushing economic co-operation in the frontline indicated that ASEAN's appearance seemed more amiable to both its members and outsiders. At the same time, a shared conviction that the way to deter the appeals of communism in the region was through economic development and growing material prosperity enhanced their willingness to co-operate with each other.[17] On the one hand, the ASEAN economy-oriented strategy proved to be effective in dealing with external powers on matters of regional affairs during the Cold War era. On the other hand, this soft weapon (some may term it a non-aggressive policy) also paved the way for Indochinese states—Vietnam, Myanmar, Laos and Cambodia—to be integrated into the ASEAN sphere.

Third, ASEAN's collectivity served as a source of learning. The most fundamental challenge confronting ASEAN was how to define an acceptable balance between its members' national and regional security priorities. For instance, one impressive co-operative effort made by ASEAN was its uncompromising role toward Vietnam in spite of different security concerns among its members. Another example was provided when ASEAN heads of government headed for the Manila summit in December 1987, despite the high risk of domestic turmoil in the Philippines at that

[15] Pye, *Asian Power and Politics: The Cultural Dimensions of Authority*, p. 90-132
[16] Michael Leifer, *ASEAN's Search for Regional Order* (Singapore: National University of Singapore, 1987), pp. 1-6.
[17] Gordon, "Southeast Asia After the Cold War", Hsiung, ed., *Asia Pacific in the New World Politics*, p. 138.

time. All these had created an image that ASEAN should be treated as a coherent entity. At the same time, the sense of collectivity was also able to strengthen ASEAN's resilience to external pressures. Perhaps ASEAN's most remarkable asset, as Russell H. Field puts it, lies in its spirit of learning to co-operate.[18] Therefore, ASEAN as a group is undoubtedly more influential than any individual state.

Fourth, ASEAN's flexibility served as a source of its survival. The ASEAN organisational structure is complex, and its decentralised style reflects a perceived need for decisions on key issues to be taken by national representatives at high level through extensive consultation. In this regard, it has provided member states with a policy for pursuing intra-mural accommodation rather than "competitive interference."[19] Problems are solved through co-ordination and not through sub- and super-ordination; interventionism of any kind is rejected. ASEAN's flexibility was shown through the accommodation of Brunei, which was included in ASEAN as soon as it became fully independent in 1984, and Vietnam, which was granted in 1995.

Finally, ASEAN's continuing existence has proved its adaptability. Thirty years is a sufficient span of time to permit judgement to be passed on the record of any organisation. The capability of sustaining an institutional existence over three decades constitutes a test. Indeed, ASEAN has now moved from "adolescence into adulthood,"[20] as former Malaysian Foreign Minister remarked. In this regard, it has generally acknowledged as a successful regional organisation, especially in the Third World.

---

[18] Russell H. Fifield, "ASEAN: Image and Reality," *Asian Survey*, Vol. XXI, No. 12 (December 1979), p. 1207.
[19] Bilson Kurus, "Understanding ASEAN: Benefits and Raison d'Etre," *Asian Survey*, Vol. XXXIII, No. 8 (August 1993), p. 825
[20] Zakaria Haji Ahmad, "ASEAN in the 1990s," *Contemporary Southeast Asia*, Vol. 9, No. 3 (September 1987), p. 85.

After thirty years of operation, it is quite clear that none of the ASEAN members has showed signs of wanting to abandon the association, while a number of states have even expressed interest in a closer relationship. Undoubtedly, ASEAN's continued existence has become a major factor for regional stability. However, as ASEAN advances into the next generation, it faces a series of significant economic, political and strategic challenges which will test its adaptability and sense of momentum. It is likely that ASEAN will have to contend with an environment in which there is a more fluid pattern of multi-polar competition for economic and political influence in the region. This would certainly pose serious challenges for ASEAN's capacity for cohesion, particularly the commitment made by ASEAN in Bangkok in December 1995 to bring all ten Southeast Asian states into the organisation by 2000.

3. 1. 2 UNITY WITHIN DIVERSITY

As demonstrated in the previous section, there are difficulties in changing the nature of the relationship among ASEAN member governments because of the lack of a shared strategic perception. Admittedly, ASEAN was created between adversaries of different kinds in an attempt to promote a structure of reconciliation. Hence, the basic problem arises as to which is the best way of sustaining a structure of reconciled relationships as a basis for regional stability, if only on some limited issues. In other words, ASEAN's common strategy, despite their major concerns about internal economic and political problems and without compromising the sovereignty of each member state, has been dependent on the role of external powers. Throughout its history ASEAN has experienced external alliance arrangements. Thailand, Malaysia,

Singapore, the Philippines, and most recently Indonesia have all had security ties with the US, Great Britain, Australia, New Zealand, and the PRC.

Different security concerns within ASEAN members derive from their different strategic locations. Taking the example of Thailand, the country has been heavily involved in much of the region's recent experience, particularly because it is situated at the centre of the mainland of Southeast Asia and because it is the only regional state which was never colonised. Its geographic location and historical experience have moulded the longest and clearest policy tradition. During the colonial intervention in Southeast Asia, Thailand was sandwiched between Anglo-French imperial competition and served as a buffer zone. Fearing a resurgence of communist Vietnam with dominion over Cambodia and Laos (these countries declared their independence in 1953 and 1954 respectively), and in compliance with US-inspired containment policy, Thailand signed the Manila Pact, Southeast Asia Collective Defence Treaty, by providing itself as the headquarters of SEATO. From then until the expiration of SEATO in 1977, it maintained, a strong anti-Communist policy and a close relationship with the US and its allies.

Although Thailand had consistently been an aligned state seeking protection against Vietnamese expansionism in Indochina and had experienced great international manoeuvrability in its anti-Communist policy, it sought to transform itself after the fall of Indochina in 1975. Thailand's reaction to this event seemed precarious, for it was suffering local communist insurgency at the same time. In response to the new strategic situation, Thailand immediately established formal diplomatic relations with communist China following the disengagement of US military forces in Indochina, which implied the replacement of the US by the PRC as a new security partner. In the meantime, in order to deter Vietnam's expansion from Cambodia, which was invaded

96

in 1978, Thailand increased its emphasis on regional co-operation by drawing on the support of its ASEAN partners to mobilise international opinion in its strategic interest. In addition, Thailand provided its territory as a base for PRC's supplies to pass through so that military resistance groups could engage in insurgency in Cambodia. Thai's policies, as a result, led to an end of external support for communist insurgencies in Thailand. In these respects, Thailand has become the region's principal example of conflict between, on the one hand, the desire to promote strong regional associations and, on the other hand, the need for security relations with external powers.

This paradox, from a traditional geostrategic point of view, originated from Thailand's sensitive position on the mainland of Southeast Asia and its most passive strategic position, which gave it no choice but to take advantage of the growing antagonism between mainland China and Vietnam. Indeed, faced with a succession of crises, the strategic context in which Thailand was forced to operate changed radically with the accentuation of conflicts among Asian communist states. All this suggests that Thailand had developed substantial foreign policy flexibility and that it would not merely accommodate itself to the PRC's strategic power. Thailand's policy of introducing external powers, therefore became ASEAN's policy, and "the political fortunes of ASEAN were made hostage to solidarity with Thailand."[21]

The impact of the Thailand-PRC alliance on other members of ASEAN was to precipitate their emergence as a more cohesive diplomatic community after highlighting some of their different strategic perspectives. The critical point of division between Thailand and its ASEAN partners centred on Indonesia. Indonesia's government publicly expressed resentment and frustration at Thailand's policy, for it

---

[21] Leifer, *ASEAN and the Security of South-East Asia*, p. 97.

encouraged the involvement of the PRC as well as the Soviet Union in the political fortunes of Southeast Asian states. In theory, introducing the PRC into regional conflict was considered by Indonesia as a contradiction to the Zone of Peace proposal. In practice, Indonesia was more sympathetic to Vietnam than other ASEAN members for several reasons. First, Indonesia saw an anti-colonial war waged by the Vietnamese against the French as a strong parallel between its experience with the Dutch. Second, Vietnam's invasion of Cambodia, in Indonesia's view, reflected a prolonged war against the domination of external powers. Third, and most importantly, Indonesia has always been suspicious of the PRC's regional ambitions. That fear is common to some Southeast Asian states. Vietnam, therefore, might become an ideal buffer against the spread of PRC influence. Accordingly, as Indonesia's army chief of staff remarked, "Vietnam and the rest of Southeast Asia should forge closer ties to face the potential threat from a strong China."[22] Similarly, Indonesia's sympathetic role to Vietnam was reflected in ASEAN's 1992 decision to accept Vietnam and Laos as full members. More interestingly, the security agreement between Indonesia and Australia concluded in 1995 may be considered as a sign of the most contradictory behaviour of Indonesian foreign policy in its persistent support for the non-aligned movement.

Indonesia, obviously, experienced frustration in relation to its central role in ASEAN, for its regional policy was not shared by the other ASEAN members. Malaysia and Philippines, for example, were the ASEAN states which recognised the PRC prior to Thailand. Given that the Malaysian government claimed to fear the longer term threat of the PRC and saw Vietnam as a counterweight to Chinese power, it had long been suffering from communist-inspired guerrilla war aimed at

---

[22] Leo Suryadinata, "Indonesia-Vietnam Relations Under Soeharto," *Contemporary*

overthrowing the existing authority. Accommodation with the PRC was thus regarded by the Malaysian government as expedient in the hope that this would help to "demonstrate to the country's resident Chinese community and to its insurgent communist party that its legitimacy was recognised and endorsed by its counterpart in Beijing."[23] Nevertheless, the Philippines, involve later in territorial disputes with the PRC, tended to see Beijing as less threatening and expressed little concern over the PRC's involvement in regional affairs.

In contrast to the other members of ASEAN, Singapore had a geostrategic interest in encouraging rather than discouraging the presence of external powers in the region and favoured a policy of attrition. Since formally separated from Malaysia to become an independent republic in 1965, Singapore has confronted tense relationships with its close neighbours, i.e. Indonesia and Malaysia. Singapore's traditional vulnerability and strategic consideration, therefore, made it seek to encourage the PRC's regional presence as a counterweight to Indonesia and Malaysia, though the relationships have been improved through co-operation within ASEAN. Singapore also sought to maintain good relations with its neighbours by deliberately emphasising that it would not recognise the PRC before Indonesia. Still, Lee Kuan Yew, the Prime Minister of Singapore, visited Beijing in 1976.[24]

Despite the inward show of independence on different security perceptions, ASEAN displayed its solidarity in response to the challenge imposed by Vietnam to Thailand's territorial integrity. Vietnam was condemned for its violation and indifference to ASEAN peace proposals. More importantly, as a resort of other members' concerns that an insecure Thailand would draw closer to communist China,

---

Southeast Asia, Vol. 13, No. 1 (March 1991), pp. 331-346.
[23] Leifer, *ASEAN and the Security of South-East Asia*, p. 55.

the best way to reduce the PRC's influence in the region was through the firmness of ASEAN support for Thailand's intransigent stand on Vietnam. In other words, ASEAN's position on the Cambodian issue continued to be a product of constant consultations and compromises to accommodate Thailand and Indonesia in particular.[25] A central characteristics of ASEAN, typically in this event, was the demonstration of its ability to continue co-operating despite member states' different perceptions of their security interests. Moreover, ASEAN's experience at the United Nations has shown that its collective bargaining power with outsiders is much stronger than the power of individual states.

From a realist point of view, it appears that anarchy still prevails in the ASEAN region, for all ASEAN members, indeed, persistently maintain their separate national security policies. Besides, as the preceding section demonstrates, their border disputes have remained unsolved. All these factors have driven member to upgrade their military forces and to introduce external powers to balance outside threats. Under such circumstances, anarchy is seen as the framework for solutions to the problem of insecurity, because anarchy can be synonymous with international politics without violence. The ASEAN case, in this respect, can be seen as a "mature anarchy", to use Buzan's term, for it demonstrates that wars are no longer a desirable way to settle differences.[26] However, the idea of common security that is designed to solve the problem incurred by the security dilemma has not been option for the ASEAN.

---

[24] For details see *Southeast Asia Year Books* (Singapore: Institute of Southeast Asian Studies, 1976).

[25] Danny Unger, "From Domino to Dominant:Thailand's Security Policies in the Twenty-First Century," Robert S. Ross, ed., *East Asia in Transition: Toward a New Regional Order* (Singapore: Institute of Southeast Asian Studies, 1995), pp. 241-243.

[26] Barry Buzan, "Is International Security Possible?" Ken Booth, ed., *New Thinking About Strategy and International Security,* pp. 31-53. See also Barry Buzan, "The Southeast Asian Security Complex," *Contemporary Southeast Asia.* Vol. 10, No. 1, 1988, pp. 12-13.

Interestingly, being aware of their strategic differences and possible enmity with each other, the ASEAN members have reiterated four self-inhibiting principles as the habit for a "code of conduct": non-interference in domestic affairs, the non-use of force, the peaceful settlement of disputes, and regional solutions for regional problems. Thus, "ASEAN", as one scholar states, "has become an anarchy of friends rather than an anarchy of enemies."[27] In this respect, although ASEAN has not become a regime within which specific principles and procedures are required of members to resolve their conflicts, it has created habits of co-operation and deference to members whose interests may be most seriously affected in a given area.

3. 2 ACHIEVEMENTS AND CONTRIBUTIONS

3. 2. 1 THE ASEAN WAY

The two concepts of legitimacy and institutionalisation, so central to theorising about political development in Western societies, refer to precisely the illusion about the source of power. Legitimacy, a regime's procedures for making and enforcing laws that are acceptable to its subjects, is achieved when those are channels for the upward flow of power bow to the presumption of the higher-ups that it is their wishes which determine the course of action. The terms for the acceptance of the illusion differ, in a sense, from culture to culture. Institutionalisation is described as a means to stabilise and perpetuate a particular order. It occurs when power relationships have become so regularised as to transform these dynamic processes into structures which

---

[27] Quoted in Sheldon W. Simon's "Security Prospects in Southeast Asia: Collaborative Efforts and the ASEAN Regional Forum," paper presented to the Conference on the 30 years of ASEAN in Mainz, July, 1997, p. 5.

are, in fact, the routinized interactions of designated superiors and assigned subordinates whose relationships have fallen into the grooves of habit. Processes become structures when habit constricts the random outcomes of power relationships within predictable moulds. Expectations about how others will behave have become so standardised that they create the myth of "offices" and "posts" as being no more than depersonalised forms of power. Thus, institutions, as Robert W. Cox describes, "are particular amalgams of ideas and material power which in turn influence the development of ideas and material capabilities."[28] With institutionalisation, states have come to accept structures, which are really no more than patterns of behaviour, as historically given realities, and as part of their natural social and political environment.

These general observations are basic for an understanding of the formation of Western societies. But what is true for Western societies may not necessarily be true for Asian societies. Since most of Asian states have accepted institutions modelled in varying degrees upon Western forms, the process of the actual operation of state power depends upon the character of the power relationships that relate to the structures of government. To uncover the actual flow of the Asian way, or more precisely the "ASEAN way", it is necessary to look beyond the formal arrangements of authority to the dynamics of the informal relationships which generate the substance of power that is ultimately decisive in determining political developments in the region.

---

[28] Cox, "Social Forces, States and World," Keohane, ed., *Neorealism and Its Critics*, pp. 217-225.

"Western thinkers are having considerable difficulty finding the right paradigm to describe a world where non-western powers are emerging,"[29] suggests Kishore Mahbubani. He also points out that the inability of traditional Western analysts to understand Asian development is based on three mistakes. The first one is the separation of internal societies from outside world, whereas, by contrast, it is the momentum of Asian states to integrate societies into regional dynamism. Second, an assumption that Asian states may follow European model, becoming liberal, democratic, and capitalist, in Mahbubani's view, fails to appreciate other cultures and social forms that create their own models. Third, the European states are so obsessed with their high living standard that they fail to realise their long-term problem. Establishing an economic bulwark by raising barriers to free trade and sustaining high subsidies in Europe will potentially develop geopolitical fault lines.[30] Mohammed Ayoob offers a similar critique about the fallacy of Western analysts in examining the Third World through concepts that are defined by their own images. This is not to suggest that all theories originated from the West are inapplicable to situations in the Third world. However, the fact is that their explanation only partially reflects the reality of the non-Western world, because

> the historical experience in the Third World— both under colonial rule and after political decolonization— has been very different. In fact, it is the differences in the two historical experiences where are related not merely to the process of regional integration but, more importantly, to the process of state formation, that make the substantive problems underlying the issue of regional security in the Third World so different from the European model from which the term has been borrowed.[31]

---

[29] Kishore Mahbubani, "The Pacific Way," *Foreign Affairs*, Vol. 74, No. 1 (January /February 1995), p. 101.
[30] Ibid., pp. 104-106.
[31] Mohammed Ayoob "Regional Security and the Third World," in Mohammed Ayoob, ed., *Regional Security in the Third World: Case Studies from Southeast Asia and the Middle East* (London & Sydney: Croom Helm, 1986), pp. 3-21.

The ASEAN way, characterised by the habits of constant consultation and accommodation in the hope that a sense of community could be formed, stresses informality, process and consensus.[32] The benefits of informality over formal procedures have been regarded by political elites in ASEAN as an important feature of intra-regional relations. They are aware that negotiation and compromise are more likely to produce an outcome acceptable to both parties than are binding legal structures, especially under the condition that there is no immediate solution necessary to meet the strategic requirement. Some long-term frictions between member governments, such as the Malaysia-the Philippines, Malaysia-Thailand disputes over borders, and issues concerning overlapping EEZs (Exclusive Economic Zones), have been a source of conflict. But these do not endanger good bilateral ties, as member states constantly insist, though no final decisions have been made.

In this respect, from the basic theoretical point of view, especially from both a realist and a liberal institutionalist conceptual viewpoint, the forms of framework in the ASEAN region are less elegant, precise or articulated than those in Western societies, because ASEAN is not a formal alliance, nor is it engaged in a formal security institution. ASEAN's behaviours, nevertheless, are not lacking in philosophical or conceptual substance. As a forefront organisation in the Asia-Pacific region, ASEAN's performance in social learning and identity building deserves special notice here. The preference for informality, non-binding, non-legalistic and non-institutional approaches involves lengthy consultations amongst diplomats,

---

[32] Kusuma Snitwongse, "Thirty Years of ASEAN: Achievements Through Political Co-operation," Paper presented to the Conference on 30 Years of ASEAN, in Mainz, July, 1997, pp. 1-6. Amitav Acharya, "Multilateralism: From "ASEAN Way" to "Asia Pacific Way?" *The Pacific Review*, Vol. 10, No. 3, 1997. Ball, "Strategic Culture in the Asia/Pacific Region,", pp. 44-74

bureaucrats and academics from member states. The constant negotiations could take the form of formal or informal personal contacts for the purpose of achieving understanding and consensus. Sometimes, private talks may be more important than formal meetings, for they provide non-hostile and "comfort level" situations for members to achieve consensus. Moreover, it was clear at the outset that ASEAN members would avoid conflict by sweeping contentious issues "under the carpet" when acceptable outcomes were considered unlikely by member states. Such processes, Amitav Acharya suggests, could also create goodwill among the participants and encourage their constraint on political and military behaviour.[33]

The evolving role of ASEAN since its inception has been dependent on policy co-ordination, which implies a consistency of information and expectations. A growing adherence to common goal would thus emerge. Such intensive consultative processes, in other words, entail the exchange of information, the creation of transparency, burden- sharing and shared principles of problem-solving that need to be enshrined in a more specific context. ASEAN, without doubt, exhibits such characteristics. It is this type of informal approach that leaves scope for research and administrative input from its members, while at the same time providing a framework within which members may feel that they are in a better position to deal with others.

More importantly, the habits of co-operation among ASEAN members are an essential step toward the process of institutionalisation. An annual meeting of foreign ministers, a formal summit of members leaders every two years, numerous informal ASEAN-related meetings, and a permanent secretariat have provided ASEAN with appropriate institutional structures. The "core requirements" of institutions, better regional information and greater general understanding through the achievement of

---

[33] Acharya, Ibid. p. 47. See also Noordin Sopiee, "ASEAN and Regional Security,"

transparency, involve a lot of energy, including intellectual capital, initiative, informal diplomacy, and considerable time. These features are characteristics of the ASEAN way.[34]

Yet, while ASEAN does not lack regularised contacts at bureaucratic and ministerial levels, its decision-making is characterised by the practice of consensus rather than by permanent bureaucracy. This suggests that in the different ASEAN cultures, the flexible framework of co-ordination and co-operation is considered to be an important common feature among political elites without sacrificing their sovereignty to regional authority. Another important feature shared by all members about decision-making is the dynamics of personalised relationships, which generate the substance of power that determines political development in the region. In other words, formal structures are given vitality largely through informal relationships which are usually highly personalised and make up the substance of real power in society. Mahathir's EAEC proposal, Suharto's security agreement with Australia, and Lee Kuan Yew's personal visit to Beijing when most ASEAN states except for Thailand preferred an anti-Communist policy, are indicative of the personal-based decision making that prevails in this organisation.

In sum, the Asian way arose because it was gradually realised that many so-called principles of international relations observed in Western political experience could not be applied satisfactorily in an Asian context. The "ASEAN way" has created its own unique picture that cannot be sufficiently explained by either realist or liberal institutionalist tools. Rather, it is a combination of both approaches. In this regard, it is not surprising that sceptical views conveyed by scholars on the prospects of

---

Ayoob, ed., *Regional Security in the Third World*, p. 228.

ASEAN's success in the future purely from theoretic concepts are much too subjective. The major principles of the ASEAN way, can thus be identified as follows: 1) non-confrontation; 2) non-interference; 3) decision-making by consensus; 4) concentration on process and identity-building; 5) co-operative efforts; 6) mutual respect, and; 7) flexible accommodation of opposites.[35] The development of ASEAN, to be more precise, has been the fruit of the political and cultural fusion of East and West, and the long-term direction has been set. But, it is also conceivable that the full institutionalisation of ASEAN may occur in the future.

3. 2. 2 AN ASEAN COMMUNITY

It is generally believed that security co-operation is harder than economic co-operation. The principle reason, from a realist point of view, is that the former directly impinges on the key issue of sovereignty. A security community is said to be a common responsibility which depends on a mutual recognition of the need for peaceful relations, self-restraint and amelioration of the arms competition. According to Karl Deutsch's definition, a security community means a group of states which agree to solve their common problems by "dependable expectations of peaceful change."[36] Basically, it is based on the idea that increases in one's own security will not be attained by provoking insecurity in others. The principles of a security

---

[34] F. Kratochwil and J. Ruggie, "International Organisation: A State of the Art on an Art of the State," *International Organisation*, Vol. 40, No. 4 (Spring 1986), pp. 753-776.
[35] "Foreword", Hadi Soesastro, ed., *ASEAN in A Changed Regional and International Political Economy* (Jakarta: Centre for Strategic and International Studies, 1995), pp. iii-iv. See also Hussin Mutalib, "At Thirty, ASEAN Looks to Challenges in the New Millennium," *Contemporary Southeast Asia*, Vol. 19, No. 1 (June 1997), p. 79.
[36] Karl Deutsch et. al., *Political Community in the North Atlantic Area* (New Jersey: Princeton University Press, 1957), pp. 5-6.

community identified by some scholars are that all states have a legitimate right to security, but security can not be obtained through military superiority, and that military force is not a legitimate instrument for resolving disputes between states. Such a community, obviously, needs a high degree of political and economic integration as a necessary element of peaceful relationships.[37] Under this circumstance, co-operation will replace confrontation in resolving conflicts of interests.

As far as ASEAN is concerned, if the organisation is judged simply in terms of its achievements as an economic grouping, as its declared purpose is seen as the acceleration of economic growth, social progress and cultural development in the region, it might be viewed as unimpressive. If, however, its success is judged in terms of political, security and diplomatic influence, it has performed particularly well. In an interpretation of ASEAN security achievements in the region, Alagappa has identified four basic merits of ASEAN security co-operation:

1. the prevention of intervention by members in each other's internal affairs;

2. the creation of regulatory mechanisms to facilitate the solution and adjustment of intraregional problems through peaceful means;

3. success in espousing and giving reality to a conception of regional order; and

4. the enhancement of the stability and solidarity of the region, and thus a minimising

---

[37] Amitav Acharya, "The Association of Southeast Asian Nations: 'Security Community' or 'Defence Community'"? *Pacific Affairs*, Vol. 64, No. 2 (Summer 1991), pp. 159-177. See also in Acharya, "A Regional Security Community in Southeast Asia?" Ball, ed., *The Transformation of Security in the Asia/Pacific Region*, pp. 175-192.; Hedley Bull, "International Theory: The Case for a classical Approach," *World Politics*, Vol. XVIII , No. 31 (April 1966), p. 373; James E. Dougherty and Robert L. Pfaltzgraff, Jr., *Contending Theories of International Rel itions: A Comparative Survey* (New York: Harper Collins Publishers, 1990), pp. 435-437.

of interference and intervention by extraregional powers.[38]

In Alagappa's view, Indonesia, Singapore, and Malaysia (the three core states of ASEAN with similar security doctrines; Thailand, Brunei, and the Philippines have not articulated their formal security doctrines), can be grouped within a system of "comprehensive security",[39] which is based on the assumption that national resilience resides not only in the absence of external military threat but also in the presence of socio-economic development within national boundaries. Regional resilience refers to a common security concerns among ASEAN states and points to the process of institution-building and regional identity as a way to enhance the prospect of regional security free from external interference.

Indeed, various motivations exist for regional security co-operation. These could range from common interest in peaceful modes of state behaviour to a specific interest in maintaining a US security presence in the region. Despite geographic and historical diversity, ASEAN leaders share a common culture in regard to international relations. The destiny of ASEAN states has come to depend more and more upon efforts to forge a common identity and a compatible operational code in foreign policy. Some of the important accords adopted by ASEAN, such as ZOPFAN in 1971, the Treaty of Amity and Co-operation in Southeast Asia (TAC) in 1976, and ASEAN Concord,

---

[38] Indonesia's security doctrine is based on the concept of "national resilience", Singapore emphasises a "total defence" security doctrine; and Malaysia focuses its security doctrine on comprehensive approach. For more details see Muthiah Alagappa, "Comprehensive Security: Interpretation in ASEAN Countries," Robert A. Scalapino, Seizaburo Sato, Jusuf Wanandi, and Sung-Joo Han eds., *Asian Security Issues: Regional and Global* (Berkeley: Institute of East Asian Studies, 1988), p. 57. See also in General Soedibyo, "Changing Superpower Policies: Questions for the ASEAN-An Indonesian Perspective," *IISS*, Vol. 4, No. 1, 1992, pp. 3-5.
[39] Ibid., p. 13. See also in Richard Stubbs, "Subregional Security Co-operation in ASEAN," *Asian Survey*, Vol. XXXII, No. 5 (May 1992), pp. 397-410; David Dewitt, "Concept of Security for the Asia-Pacific Region in the post-Cold War Era: Common Security, Co-operative Security and Comprehensive Security," Paper presented at the Seventh Asia-Pacific Roundtable, Kuala Lumpur, 6-9 June, 1993.

were to serve this purpose.[40] Moreover, the bilateral basis of security co-operations within the framework of ASEAN. (for example, agreement between Singapore and Indonesia, Singapore and Malaysia, Thailand and Malaysia, the Philippines and Indonesia, and Malaysia and Indonesia) has developed into an overlapping and interlocking network. In addition, a series of joint trilateral military exercises among Singapore, Malaysia, and Indonesia has been characterised by some as a "defence co-operation committee", an "ASEAN defence spider web", or a "web of interlocking bilateral relationships."[41] In addition, the Five Power Defence Arrangement (FPDA), which ties Malaysia, Singapore and the non-regional countries of Britain, Australia, and New Zealand, has also provided a framework for security co-operation. Some member states of ASEAN have even suggested creating an "ASEAN's defence community". One of Singapore's top military officer, Winston Choo, openly stated that "firm and strong bilateral ties will provide the foundation for multilateral co-operation."[42] Malaysia's Foreign Minister, Abu Hassan Omar, made a similar statement by proposing "an ASEAN Defence Community" which would "make the ASEAN states to new heights of political and military co-operation."[43] The Philippines former Defence Secretary Fidel Ramos also stressed that "defence co-operation is a must in ASEAN."[44]

Although the trends pushing regional states toward greater security co-operation are relatively powerful, ASEAN is by no means a military alliance, nor is it a defence community. This because some major constraints have surfaced. First, there is no

---

[40] "Political and Security Co-operation", *ASEAN: An Overview*, Jakarta: ASEAN Secretariat, 1995, pp. 8-10.
[41] Mochtar Kusuma-Atmadja, "Some Thoughts on ASEAN Security Co-operation: An Indonesian Perspective," *Contemporary Southeast Asia*, Vol. 12 (December 1990), p. 171.
[42] *Strait Times*, 23 March 1989.
[43] *Strait Times*, 5 May 1989. Also in *The Sunday Times* (Singapore), 14 May 1989.

shared perception of external threat and political motivation by members of the community, which is an essential condition for shaping an alliance or a defence community. Secondly, it is still doubtful whether ASEAN, even it could foster a common defence arrangement, could deter any potential aggressor. More seriously, a defence community could be counterproductive, as Fidel Ramos argued, for it would "encourage the big powers to initiate preemptive counteraction and prevent ASEAN from pursuing with undiluted vigour and freedom of action its vision of full regional stability and economic self-sufficiency."[45] Thirdly, the threat perceptions of ASEAN member states are basically inward-looking, and a military alliance is considered both irrelevant and ineffective against intrastate threats. In the meantime, an ASEAN military alliance could also indirectly retard the economic growth, which is seen by all members as a necessary element for domestic stability, and it might also encourage an arms race in the region as well.[46] In this regard, despite a number of benefits provided by creating a military alliance, ASEAN leaders would evidently prefer more moderate measures to increase security co-operation among its members. The creation of the ASEAN Regional Forum (ARF) in 1994 has justified the fact that there is no need for ASEAN to build up a formal military organisation, but efforts to increase bilateral or trilateral military co-operations are still indispensable.

The above discussion shows that ASEAN is not a military organisation. But is ASEAN nevertheless a "security community"? Paradoxically, the answer could be both negative and positive. According to Acharya's observation, ASEAN has not yet

---

[44] *The Sunday Times* (Singapore), 26 November 1989.
[45] Quoted in Acharya, "The Association of Southeast Asian Nations: 'Security Community' or 'Defence Community'"? op, cit., p. 169.
[46] Jusuf Wanandi, "Security Issues in the ASEAN Region," Karl D. Jackson and M. Hadi Sosastro, eds., *ASEAN Security and Economic Development* (Berkeley: Institute of East Asian Studies, University of California, 1984), pp. 297-308. See also

reached the stage of a "security community", because it is not "based on a fundamental, unambiguous and long-term convergence of interests among the actors in the avoidance of war,"[47] and a number of actual or potential conflicts still remain. For example, these are still unresolved territorial disputes between some ASEAN member states. For one thing, unlike Western defence planners, those of NATO in particular, who may engage their adversaries in frank debate about fundamental security concerns, in ASEAN this is almost impossible. Superficially, the bilateral relations between ASEAN members, especially those between Singapore and Malaysia as well as Malaysia and Thailand, remain relatively peaceful, and their defence planing and military structures are to some extent based on the need to deter each others.[48] Based on the above analysis, Acharya insists that the development of ASEAN in regional security matters may best be described as a "security regime", in which the interests of the member states are neither entirely compatible nor wholly competitive, rather than the term "security community".[49]

However, it is argued that ASEAN has served as a stabiliser for its member states since its establishment. More importantly, the common commitments within ASEAN members from the outset have been: non-interference in the internal affairs of fellow member states, no force to be used in the settlement of disputes, and respect for each other's sovereignty. The commitments have been viewed by many as a full implying

Sukhumhand Paribatra and Chai-Anan Samudavanija, "Internal Dimension of Security in Southeast Asia," Ayoob, ed., *Regional Security in the Third World*, pp. 57-91.
[47] Acharya, "The Association of Southeast Asian Nations: 'Security Community' or 'Defence Community'"? op, cit., p. 159-177; Acharya, "A Regional Security Community in Southeast Asia?", in Ball, ed., The Transformation of Security in the Asia-Pacific Region, pp. 175-192.
[48] Tim Huxley, "The ASEAN States' Defence Policies: Influences and Outcomes," in Colin McInnes and Mark G. Rolls, eds., *Post-Cold War Security Issues in the Asia-Pacific Region* (Newbury Park: Frank Cass, 1994), pp. 137-152. See also in Tim Huxley, "Malaysia and Singapore: A Precarious Balances?" *The Pacific Review*, Vol. 4, No. 3, 1991, pp. 208-212.

"security community". For example. Sheldon Simon argue that "ASEAN may be a security community in the sense that no member would consider the use of force against another to settle disputes." [50] Barry Buzan contends that the existence of an ASEAN security community has not changed the fundamental anarchical character of the international system. But the norm has demonstrated what mature anarchy looks like.[51] Michael Leifer stresses that ASEAN was conceived by its founding members as an embryonic security community,"[52] and the fact is that its operational reality differs from its announced purpose. Actually, ASEAN was born out of conflict, but conflict became a source of its revival. Leifer has summarised ASEAN's achievement in confronting the challenges of the regional political environment and in its effort to forge a credible regional co-operation by characterising ASEAN as a "diplomatic community."[53] Indeed, bilateral tensions between some ASEAN members have not impeded the development of such co-operation. The habits of co-operation, an important element in forming a community and one that takes time to cultivate, have been institutionalised between member states. For instance, ASEAN's policies towards Indochinese states since the late 1970s have proved its effectiveness not only as an instrument for building up regional confidence in dealing with external relations but also as an important regional actor on a global scale.

Without doubt, there is always going to be the problem of the asymmetries of declaratory intent and operational reality in an international organisation. But an

[49] Acharya, op. cit.

[50] Sheldon Simon, "The Regionalisation of Defence in Southeast Asia," *The Pacific Review*, Vol. 5, No. 2, 1992, p.122.

[51] Buzan, "The Southeast Asian Security Complex," pp. 1-16. See also Buzan, "Is International Security Possible?" In Booth, ed., *New Thinking About Strategy and International Security*, pp. 49-51.

[52] Michael Leifer, *ASEAN's Search for Regional Order*, p. 4.

[53] "The Role and Paradox of ASEAN," Michael Leifer, ed., *The Balance of Power in East Asia* (London: Macmillan Press, 1986), p. 130.

institutionalised dialogue and the habit of co-operation may have a mitigating effect on the abuse of bilateral tensions by major actors. This may be achieved through the calculation of constraints inherent in interdependence. The logic of security co-operation in an era of interdependence is that the reassurance of those neighbours is central to states that stress a non-military means of achieving and maintaining their security. In that sense, even though there is no sufficient evidence of the existence of a "security community" in the ASEAN region, there would appear, however, to be a group of states conscious of a shared, consensual understanding of the need for security co-operation in the region.

In ASEAN, these commitments have contributed to the concept of regional resilience through national resilience. There is no doubt that ASEAN, since its inception, has evolved from its origins as an institution for political consultation towards regional reconciliation, and external bargaining. That is, ASEAN has prevented a feeling of isolation among its members that might encourage competition among external powers in the region. The bond of a common future destiny has helped ASEAN states to stand together. Through ASEAN, the Southeast Asia that has known wars in the past has become an area of peace and a community for regional states. In this respect, ASEAN's existence represents a major contribution to regional stability.

3. 3 SOME LIMITATIONS

3. 3. 1 SUSTAINING AN ASEAN IDENTITY

There always exists an assumption, as noted in the previous section, that the "ASEAN way" is a prototype of an ASEAN culture and is the configuration of all elements that have become interrelated in regional patterns of thinking, doing and valuing in ASEAN. One unique explanation that accounts for ASEAN's achievements is the way in which members go about resolving their differences and disputes. It is also worth noting that ASEAN elites, both political and academic, repeatedly stress the differences between Western and their own approaches to regional co-operation. ASEAN can thus be seen as expressive of cultural components or principles which may summed up in the terms of *musyawarah* (consultation) and *mufakat* (consensus). In other words, the association rests on the search for common values in the ASEAN region as a whole rather than in the individual member states. The question might thus be asked: is it possible to speak of ASEAN-wide cultural principles when ASEAN is comprised of four major ethnic groups and more than five widely spoken languages? (Malay, Thai, Tagalog, Chinese and English) More importantly, no country or culture nowadays is an island. All ASEAN states are susceptible to external influences. In addition, the basic reason for ASEAN's convergence is a common interest which originates from historical conditions. However, "common interest" seems to be a mask which hides actual problems and disagreements, since there is no system of open voting. We must then ask: how will new international circumstances affect the so-called   SEAN identity" ?

The commitment of ASEAN in the Bangkok Declaration in 1995 to incorporate all ten Southeast Asian states into the association by the end of year 2000 was, in fact, based on a desire to realise the vision of all-inclusiveness set out in its founding

declaration in 1967.[54] Previously, opportunities to build united Southeast Asia had

been constrained by the exigencies of the Cold War structure and regional conflicts.

One of ASEAN   major responses to the end of the Cold War has been to expand its

membership from six to ten. Since 1992, both Vietnam and Laos have acquired

observer status at ASEAN's Annual Ministerial Meeting (AMM), which is the highest

decision-making body in the Association after the ASEAN summit. Vietnam was

admitted to full membership in July 1995. The first Informal Summit in Jakarta in

November 1996 reaffirmed that Cambodia, Laos and Myanmar (the CLM countries)

should be included simultaneously. The enlargement of ASEAN, as the Philippines

Secretary for Foreign Affairs, Roberto Romulo, put it, "earns extending to a broader

world the ASEAN spirit, the ASEAN style, the ASEAN approach and ASEAN's

methods   and   techniques—consultative,   consensual,   gradual,   patient,   non-

contentious."[55]   Almost all ASEAN leaders openly welcome the inclusion of all

Indochinese states into ASEAN.[56]

The incorporation of Vietnam into ASEAN has been regarded by many as a

significant development in the history of modern Southeast Asia. Indeed, Vietnam's

membership in ASEAN has both security and economic implications. As the second

largest state in size in Southeast Asia, after Indonesia, Vietnam has formidable

military forces and plays a very crucial role in maintaining regional stability. From

the perspective of the balance of power, the combination of ASEAN's military

capability with Vietnam's armed forces is a sufficient counterweight to balance any

potential external threat. It can contribute positively to "regional resilience", or at

---

[54] "Bangkok Summit Declaration of 1995," Fifth ASEAN Summit (Jarkada: ASEAN
Secretariat, 1996), pp. 65-66. See ASEAN Declaration of 1967, ASEAN Documents
(Bangkok: Ministry of Foreign Affairs, 1978), pp. 1-2.
[55] *Straits Times*, 23 July 1994.
[56] *Asiaweek*, 9 May 1997, p. 32.

116

least can enhance ASEAN's ability to fill the security vacuum in the region and maintain the status quo in the event of US disengagement. Vietnam's entry, therefore, may be viewed as an extension of ASEAN security supervision to the ambit of northern power, despite the fact that the enlarged association does not have enough military strength to confront China, as one Vietnam strategist argues.[57]

Economically, the developmental experience of the ASEAN states can be helpful to Vietnam in carrying out its market-oriented economic reforms. As a result of its high economic performance in the past few years, Vietnam might easily become one of the economic "tigers" in the Asia-Pacific region. Vietnam's participation in ASEAN will facilitate ASEAN's economic growth, for the country's large population can be provided by ASEAN states with appropriate labour-intensive investments.[58] On the other hand, an integration of Indochinese economies into ASEAN will not only attract more foreign direct investment but also increase ASEAN's weight and voice in global forums.

However, what is on the surface an inclusion of Indochinese states into the ASEAN region is more fundamentally a political and security consideration than an economic necessity. Furthermore, the negative effects of enlargement could be serious. Sukhumbhand Paribatra has argued that the process of expanding ASEAN membership was based not on "rational" assessments of difficulties but on "collective political will": the only way in which most of the problems and issues of ASEAN's arguments about an expanding membership from six to ten can be resolved. In his view, an optimistic expectation about the enlargement of ASEAN through collective

[57] Hoang Anh Tuan, "Vietnam's Membership in ASEAN: Economic, Political and Security Implications," *Contemporary Southeast Asia*, Vol. 16, No. 3 (December 1994), pp. 259-272. See also J. N. Mak, "The ASEAN Naval build-up: Implications for the Regional Order," *The Pacific Review*, Vol. 8, No. 2, 1995.
[58] Ibid., pp. 261-264.

political invites scepticism. First, the expansion of ASEAN to accommodate Vietnam and CLM states (Cambodia, Laos and Myammar) would generate apprehension about the "dilution" of ASEAN's style of diplomacy, that is based on consultation and consensus-building and has accounted for ASEAN's identity and success.[59] Whether this unique form of identity could be applicable to the new members is still in question.

Inviting new members to join ASEAN, in a sense, means including a larger and more diverse grouping into the organisation. ASEAN will thus inevitably face the risk of slowing down its decision-making process, which relies mainly on consensus. Moreover, the internal decision-making processes of new member states need more time to adjust. This is certainly true for a state like Vietnam, which is still ruled by communist political elites. The same problem arises in CLM states, where there are inadequate legal institutions and human resources to support the decision-making. More seriously, all these states lack experience in regional co-operation. Under such circumstances, the risk that the ASEAN way could be diluted by the primacy of individual self-interest and conflicting conceptions of identity should not be underestimated.

Second, any idea of using Vietnam as a counterweight to balance foreign powers might be counter-productive and could accentuate differences within ASEAN and complicate ASEAN's relations with China. To make matters worse, it could incur power competition and cause regional instability. Despite the fact that both communist regimes, Vietnam and China, are determined to reconcile with each other, an underlying contention over maritime jurisdiction has remained; and Vietnam has had a strained relationship with China since the late 1970s. In some ways, this might

---

[59] Sukhumbhand Paribatra, "From ASEAN Six to ASEAN Ten: Issues and Prospects,"

be seen to represent a balance of power in Southeast Asia.[60] As a matter of fact, the practice of a balance of power in Southeast Asia, as it was during the Cold War era, can not be realised today because the collapse of the Soviet Union indicates a termination of bipolar confrontation, which used to be the main buttress of an equilibrium in the region. Apart from this, the reality is that even the combined military forces of the ASEAN, as noted earlier, may not be sufficient to confront China. Besides, ASEAN states are not keen to align themselves against foreign powers in the region, China in particular. A more likely outcome is to find a style that may result in a less structured approach to multilateral security instead of seeking a balance of power by creating a military alliance.

Third, it is logical to predict that CLM prospective members will be incorporated in the regional organisation since they have historical experience in common with Vietnam and other ASEAN states and they are rapidly being enveloped by the same economic linkages. Yet an expansion of membership, especially an admission of Myanmar, could bring sharp Western criticism or even sanctions due to Myanmar's poor human rights record. While there has been some disagreement within ASEAN on how to urge Myanmar to improve its human rights practice, the overall ASEAN policy has been one of the "constructive engagement". It is believed that only through such a policy can Myanmar be led into a more normal socio-political system.[61]

Contemporary Southeast Asia, Vol. 16, No. 3 (December 1994), pp. 243-258.
[60] Michael Leifer, "Vietnam's Foreign Policy in the Post-Soviet Era: Coping with Vulnerability," in Ross, ed., *East Asia In Transition: Toward a New Regional Order*, pp. 272-276. See also Herbert J. Ellison, "Soviet-Chinese Relations: The Experience of Two Decades," in Ross, ed., *China, The United States, and The Soviet Union: Tripolarity and Policy Making in the Cold War*, pp. 97-99.
[61] John Bray, "Burma: Resisting the International Community", *The Pacific Review*, Vol, 5, No. 3, 1992, pp. 291-296. See also Geoffrey Robinson, "Human Rights in Southeast Asia: Rhetoric and Reality," in Wurfel and Burton, eds., *Southeast Asia in the New World Order: The Political Economy of a Dynamic Region*, pp. 74-96; "The

Nevertheless, international pressures have been increasing. The EU made a decision in late 1996 to remove Myanmar from the GSP (Generalised System Preferences) list. The US president, Bill Clinton, demanded the imposition of economic sanctions and tried to persuade other ASEAN members to deny Myanmar's membership.[62]

ASEAN's response to international pressures against Myanmar's entry to the organisation has been negative. "We see the membership of Myanmar from various angles— strategic and growth of the region. It should be brought into the regional organisation," argued Malaysia's Dato Abdullah Ahmad Badawi. He believed that Myanmar's participation "would bring changes to benefit its people."[63] Jusuf Wanandi put it more bluntly by stressing that "human rights are important for ASEAN, but we will do it the ASEAN way."[64] Similar sentiments were echoed by ASEAN political elites. And a final decision was made by the foreign ministers in Kuala Lumpur in May 1997. All three CLM states would be included simultaneously. Given the unanimous stand of ASEAN on the Myanmar issue, enlarging ASEAN to incorporate such a military junta has caused the Association severe political embarrassment. Nonetheless, the Indonesian government has taken to advising the Myanmar's military junta on matters of political development in the hope that this would speed up its integration with ASEAN.

Given that the problems of incorporating the three CLM states may not reverse ASEAN's decision, the principle of non-interference in a fellow member's internal affairs is in questions. In Ranjit Gill's view, none of the ASEAN members can live alone or in a vacuum, "oblivious of developments in a neighbouring country and

Weakening Consensus in the Asia-Pacific," *Strategic Survey* (Oxford: IISS 1996/97), pp. 194-196; *Strait Times* (Singapore), 2 May 1997.

[62] Ranjit Gill, *ASEAN: Towards the 21st Century* (London: ASEAN Academic Press, 1997), pp. 232-235.

[63] Ibid., p. 234.

which could affect the entire organisation, in the event of a security threat." He also pointed out some illusions of ASEAN by suggesting that "while new members will derive considerable benefits, and increased international respect by association, does it necessarily enhance ASEAN's standing?"[65] In short, the argument here, as Buzan and Segal have observed, is that states with low levels of domestic cohesion will become a source of instability with their spill-over effects on regional order, and "no state can rely on consistent patterns of attitude and alignment."[66]

Fourth, it is generally recognised that ASEAN's co-operation on the political front has been far better than in the economic realm. The level of intra-ASEAN economic co-operation has not proceeded as well as expected, and the major institutional thrust has centred on AFTA (the ASEAN Free Trade Area). The main concern is the participation of Vietnam and the CLM states, which are economically less developed than the present ASEAN member states and are undergoing major transitions in their socio-economic system, would slow down the progress of ASEAN's economic co-operation and even undermine AFTA by reducing the necessity for its very existence.

In sum, there is little doubt that ASEAN itself has to play a key role in defining an ASEAN identity. Its norms, rules, and principles that are enshrined in the Bangkok. Declaration of 1967 and Article 2 of the 1976 Treaty of Amity and Co-operation provide the basis for regional stability. Assuming that ASEAN's effectiveness as a regional group has been dependent very much on the internal stability of its member governments, the question is: how long and to what extent can ASEAN continue to maintain its identity in the face of integration with new members whose economic and political problems have just emerged?

---

[64] *Asiaweek*, Vol. 22, No. 30, July 26 1996.
[65] Idid., p. 236.
[66] Buzan and Segal, "Rethinking East Asian Security," pp. 16-17.

3. 3. 2 THE INSTITUTIONALISATION OF ASEAN

Many commentators, Keohane, Nye and Ruggie for examples, portray institutionalisation as a means to stabilise and perpetuate a particular order. Institution building is said to be a way of reducing uncertainty and fears of perfidy. Thus, the cumulative effects of institutionalisation can have significant consequences for the international system. Undoubtedly, the aggregate effect of actions by institutionalised arrangements have potent effects that transcend political boundaries. However, as Keohane has argued, institutions should be seen as providing "peace through law", and "institutions that facilitate co-operation do not mandate what governments must do; rather they help governments pursue their own interests through co-operation. . . Nor do institutions that promote co-operation need to be universal. . . that permits problems of collective action to be overcome."[67] Indeed, the significance of an institution is to provide an environment of stability and predictability. More significantly, this helps participants to achieve common interests.

The above discussion does not imply that ASEAN is an organisation without institutional forms. On the contrary, ASEAN is highly institutionalised and its institutionalisation is, in fact, in train. More than 400 annual ASEAN meetings indicate that a weakly institutionalised regional organisation is no longer possible.[68] However, it is true that ASEAN has consistently rejected Western style of co-operation enacted through formal organisations, though it has not resisted all forms of institutionalisation. It is argued by Leifer that Western-style institutionalisation may

---

[67] Keohane, *After Hegemony: Co-operation and Discord in the World Political Economy*, p. 246.

not be appropriate for a region that includes both industrialised country (Singapore for example), and developing countries (Vietnam and CLM). Furthermore, the ability to sustain the ASEAN community has been dependent on the internal stability and economic development of its member states, or, as Leifer has put it, ASEAN was the "institutional product of regional conflict resolution."[69] A typical difference can be seen in ASEAN's distinctive process of decision-making.

Traditional Western-style of decision-making is "the process of making a choice by numerical aggregation, involving voting majorities, rules of collective choice, and legislation."[70] One side wins and the other loses; the successful side wins by being more numerous than the other. In that sense, it could be seen as a process of zero-sum decision-making. Without any clear defined or formal decision-making structure and with no open voting since its inception, ASEAN appears to be "instituted with the minimal weight necessary for the anticipated functions."[71] Consensus, a principal tool used by ASEAN in decision-making, may thus cover genuine problems and disagreements that could in the long run hamper the progress of ASEAN institutionalisation. In the meantime, there seems to be no sufficient definition of what consensus is, and decision-making and negotiations "are carried out by specific committees and groups which adopt a more personalised rather than a bureaucratic approach— consensus model."[72]

---

[68] Hussin Mutalib, "At Thirty, ASEAN Looks to Challenges in the New Millennium," p. 83.
[69] Leifer, *ASEAN and the Security of Southeast Asia*, p. 17.
[70] I. Williams Zartman, "Negotiation as a Joint Decision-making Process," *Journal of Conflict Resolution*, Vol. XXI, No. 4 (December 1977), p. 621.
[71] Pushpa Thambipillai, "ASEAN Negotiating Style: Asset or Ordinance," Pushpa Thambipillai and J. Saravanamuttu, *ASEAN Negotiation: Two Insights* (Singapore: ISEAS 1985), p. 13.
[72] Ibid., p. 23.

Indeed, to compel ASEAN to face institutional emulation of the Western model makes no sense. First, learning is not equal to copying, but rather adapting. Secondly, from an historical point of view, it is still highly controversial whether bureaucratic approaches are valid for critics, because they are barely three or four decades old. Thirdly, there is no single recipe for effective bureaucratic organisation. As a consequence, the key emerging issue is whether or not a high-performing ASEAN culture can be maintained in combination with Western-style institution.

ASEAN's institutional evolution is what Michael Hass has characterised as a "cultural theory of international co-operation."[73] That is, an approach to dispute settlement in ASEAN does not resort to European-style of legal agreements, which focus on the concept of transparency, a process resented by many ASEAN leaders. Rather, it sets aside difficulties for later resolution and prefers an approach of using weak organisational structures to achieve consensus. Functionally, this consensus-seeking approach may avoid confronting the difficulties of institution-building that are involved in constructing a coherent set of general norms, principles and procedures out of separate identities. Therefore, the logical assumption is that the more successful ASEAN leaders are developing as a cultural basis of co-operation, the stronger their resistance to institutionalisation at the regional level. Furthermore, the changing global political economy, involving a new status and importance for Asian economies and societies, seems to demonstrate that the so-called a cultural perspective co-operation really works.[74] Yet, as argued earlier, the striking cultural heterogeneity of the region has its own weakness and is even a barrier to institutionalisation.

---

[73] Hass, *The Asian Way to Peace*, p. 21.
[74] Garry Rodan and Kevin Hewison, " A 'Clash of Cultures' or Convergence of Political Ideology," in Richard Robinson, ed., *Pathways to Asia: The Politics of Engagement* (Sydney: Allen & Unwin, 1996), pp. 48-50.

All this suggests the existence of a major dilemma. The implication is that, far from discussing some imminent Western-style of institutionalisation, ASEAN leaders have turned to the institutionalisation of instrumentalist values in regional co-operation. This is partly because of the "inward-looking" policy adopted by all ASEAN states. That is to say, the national consensus of each ASEAN state has become the first stage before achieving regional consensus. In this respect, however, the risk ASEAN may face is that as such an approach proceeds the opportunity for the member states of ASEAN to move towards institutionalisation is sacrificed. In theory, although there is no denying the fact that institutions are complex entities, commonly encompassing a range of informal as well as formal elements, some deliberate efforts to modify or reform can produce disruptive effects which are consequences neither foreseen nor intended by those promoting specific changes, so that there is always some risk that ventures may do more harm than good. This is not to suggest that any efforts following these lines are doomed to failure. But naive hopes concerning to the efficacy of specific transformation in the realm of institutions constitute a common and serious failing among policy makers. As such, institutions, are intended to generate predictability and monitor deviations from the norm in state behaviour.[75]

In practice, it is also tempting to argue that even if the level of institutionalisation in the ASEAN region has not fully developed, there is no necessary correlation between the degree of institutionalisation and its importance, and there is no strong evidence to suggest that slow institutionalisation with informal and direct bargaining and consensus-seeking will produce worse outcomes than more conventional approaches. But this argument has some serious flaws. For it is typically products of political

---

[75] Oran R. Young, "The Effectiveness of International Institutions: Hard Cases and Critical Variables," in Rosenau and Czempiel, eds., *Governance Without Government: Order and Change in World Politics*, pp. 160-194.

compromise rather than co-ordinated planning. Without a common and transparent policy, states can rarely be convinced to abide by an institutionalised consensus, and a weak institution often encourages states to seek solutions from the outside world. Under these circumstances, the result would be unending defections of participants from institution.

For ASEAN, deepening institutionalisation is inevitable because of the increasing demand for an earlier realisation of AFTA, which indicates that closer co-operation among member states is necessary, and a sea change in the wider regional environments also call for ASEAN to enhance co-operation between members. All such processes will ultimately need a greater transparency of the decision-making process. In short, the real problem for ASEAN in the face of its institutionalisation in the region stems, on the one hand, from the lack of confidence of states in the intentions of their fellow member states, and, on the one hand, from their own abilities to compete successfully in the absence of protectionist support mechanisms. In this respect, there is little doubt that ASEAN needs more political will and clout to achieve the necessary breakthrough.

3. 3. 3 ASEAN: A FORM OF REGIONALISM?

The most controversial proposal for a regional grouping, as noted and discussed in the previous chapter, has been Mahathir's call for an EAEG, which was intended to be limited in terms of its goals and memberships. His main argument is that ASEAN would inevitably be weakened by a large numbered APEC.[76] Despite a significant

---

[76] For details see Hadi Soesastro, "ASEAN and APEC: Do Concentric Circles Work?" *The Pacific Review*, Vol. 8, No. 3, 1995, pp. 475-93. Also in Higgott and Stubbs,

setback for the EAEG proposal, the confrontation has clearly highlighted a growing dilemma for ASEAN. To a certain extent, Mahathir's suggestion has reflected a potential concern of ASEAN states over the possibility of external interference in their internal affairs. In other words, the identity and autonomy of ASEAN would probably be compromised in a Western-style forum with the emphasis on formal negotiation. In order not to lose its relevance in the face of new international environments, ASEAN has to consolidate its identity through closer co-operation within member states. The question arises, how does ASEAN promote regional co-operation without at the same time being regarded as a rigid regionalism?

As a concept, regionalism is exceedingly complex. Various points of views have produced diverse definitions and interpretations. From an historical point of view, Karl Deutsch believes that regionalism is a stage of development of political communities which shows an evolutionary trend towards the common goal of maximum human satisfaction. The slow process from Greek City-State to the emergence of a supranational community, as manifested by an aggrandisement of size and increase of functions, showed the different stages of the development of political community.[77] From the geopolitical point of view, Norman J. Padelford bases his definition of regionalism on geographical boundaries. He stresses that "geographical limitation is necessary for regionalism". Regionalism, therefore, is a concert of political interests which may bring together countries that are geographically apart.[78] According to Joseph Nye's definition, regionalism refers to "the formation of interstate associations or groupings on the basis of regions. . . a limited number of

---

"Competing Conceptions of Economic Regionalism: APEC Versus EAEC in the Asia Pacific," pp. 516-35.

[77] Karl Deutsch, *Political Community At the International Level: Problems of Definition and Measurement* (New York: Doubleday and Company, 1954), pp. 3-4.

states linked by a geographical relationship and by a degree of mutual interdependence."[79] From Leifer's perspective, regionalism means "a convergence of political interest. . . a common sense of region represented in institutional form by sovereign states contiguous to one another is, above all, a political expression."[80] Further, as Alagappa notes, the core meaning of regionalism is "sustained co-operation, formal or informal, among governments, non-government organisations or the private sector in three or more contiguous countries for mutual gains."[81] Paul M. Evans defines regionalism as "a conscious awareness of shared commonalties and the will to create institutions and processes to act upon those commonalties."[82]

Nevertheless, Andrew Hurrell argues that traditional definitions have produced little result because "both 'region' and 'regionalism' are ambiguous terms," and without some geographical limits the term 'regionalism' becomes diffuse and unmanageable." He then suggests that a new definition of regionalism should include economic, social, political, cultural, or historic dimensions.[83] It is his argument that the traditional understanding of the term "regionalism" is based on the model of the EU, but that this

---

[78] Norman J. Padelford, "Regional Organisation and the United Nations", *International Organisation*, Vol. VIII (May 1954), pp. 203-216.
[79] Joseph Nye (ed.), *International Regionalism* (Boston: Little, Brown and Company, 1968), p. vii.
[80] Michael Leifer, "Regionalism, the Global Balance and Southeast Asia," *Regionalism in Southeast Asia*, 1st Conference of ASEAN Students of Regional Affairs (ASEAN I), Oct. 22-25 1974, CSIS, Jakarta, p. 55.
[81] Muthiah Alagappa, "Regionalism and Security: A Conceptual Investigation", in Mack and Ravenhill, eds., *Pacific Co-operation: Building Economic and Security in the Asia-Pacific Region*, pp. 157-8.
[82] Paul M. Evans, "Economic and Security Dimensions of the Emerging Order in the Asia-Pacific," in Wurfel and Burton, eds., *Southeast Asia in the New World Order: The Political Economy of a Dynamic Region*, p. 11.
[83] Andrew Hurrell, "Regionalism in Theoretical Perspective," in Louise Fawcett and Andrew Hu ell, eds., *Regionalism in World Politics: Regional Organisation and International Order* (Oxford: Oxford University Press, 1995), pp. 37-39.

is an inadequate and incomplete basis for explaining contemporary regionalism.[84] In

terms of a new regionalism, John Chipman has observed:

> Regionalism, in general, is the tendency towards and preference for regional
> systems or methods. It seeks to defend a certain cultural disposition, and
> aims towards a degree of autonomy in the management of regional affairs. In
> the sphere of international security, regionalism is the attempt by a group of
> states to order their relations amongst each other in such a way as to advance
> commonly agreed aims, to avoid local conflict and to manage it, if it does
> break out, as much as possible, on a regional basis.[85]

Obviously, despite the competing definitions of regionalism, there is little doubt

that regionalism is an existing fact which reflects, in a sense, the failure of the nation-

state as well as world organisation to meet the needs of all individuals. It is the nature

of human beings that has served as an impetus to drive the nation-states to associate

with each other and thereby form greater entities. It is also evident that the ultimate

goal of the drive of human beings is world community. This does not mean, however,

that regionalism runs parallel with globalism or subtracts from global unity. On the

contrary, regionalism is seen as an intermediate unit and a dynamic resource in the

transition from nation-state to world community. Based on this assumption,

regionalism only aims at strengthening world community.

Thus, the virtues of regionalism are that it can help develop norms and rules which

will cultivate habits of co-operation and deepen interdependence within regional

states. On the one hand, this could mitigate the effects of regional diversity and

reduce the risks of the resort to force as a method of settling disputes. On the other

hand, regionalism might be seen as a shelter for states against domestic and external

---

[84] Ibid., p. 71.
[85] John Chipman, "The New Regionalism: Avoiding Strategic Hubris," in Denny Roy, ed., *The New Security Agenda in the Asia-Pacific Region* (London: Macmillan Press, 1997), p. 22.

pressures on governments as well as from outside competition. Under these circumstances, group identity could be formed and the danger emerging from the security dilemma could also be eliminated. More importantly, the negative effects incurred by anarchy can be obliterated. Viewed in this way, regionalism often appears to be a necessary strategy for assuring peace and stability within a certain region, not only because it creates an atmosphere of peaceful interaction and provides regional states with commitments for long-term prospects, but also because it indirectly promotes good relationships with other regions.

Yet, there are also a number of reasons to be pessimistic. First, an overemphasis on regionalism may create a recurrence of protectionism, which is contradictory to the concept of a world community, despite the fact that protectionism nowadays has declined internationally due to multilateralism. Second, regional institutions may lack the power to act effectively and independently in internal affairs without reliance upon external assistance. Thus, an effective regionalism may mean the willingness to consider the use of external assistance to solve internal problems.[86] Third, regionalism may become an enlarged nationalism if it is misguided. Regionalism, by its very nature, reflects the phenomenon of the regional status quo, and its "inward-looking" policy is likely to favour existing power holders. Any external challenge to the region would be regarded as a challenge to the interests of incumbent powers.

If we examine the case of ASEAN by using the concepts noted above, we find that the ASEAN organisation is very helpful for regional states in settling conflicts, and indeed the ASEAN region has become a peaceful community. Further, ASEAN's successful exertion of diplomatic pressure to stop conflict spilling over to its members from Vietnam and Cambodia has gained itself international recognition, although

[86] Ibid., p. 26. "Conclusion," Fawcett and Hurrell, op., cit, p. 316.

there is no coercive power to enforce any peacekeeping measures to contain expansionism. In this regard, ASEAN has been characterised as an "open self-reliant regionalism."[87] While ASEAN may bring benefits to those who are engaged in it, one should not expect that it is a panacea, it is only a useful means to lessen the chances of domination by greater forces because co-operation enhances the individual position of participants. Moreover, ASEAN can not be expected to be devoid of problems and difficulties. In fact, the latter are of many kinds and varieties.

For example, ASEAN's obsession with the principle of "non-interference" with the internal affairs of its member states, especially relating to the issues of human rights and democratisation that could spill over into neighbouring states, may drive ASEAN into regional isolationism. In addition, ASEAN's aspiration for a realisation of AFTA in 2003 without a policy of being "iutward-looking" may only become a void framework that invites global resistance. More seriously, a regional organisation like ASEAN that excludes from its agenda discussion of real and potential security problems within its members, or is irresponsive in the face of a strong and aggressive China, could reduce its cohesiveness. Accordingly, a narrow- minded regionalism, would be fragile and even perilous.

Indeed, no region can immunise itself from either the influence of global trends or the effects of other regions' unfriendly strife. Robert D. Hormats suggests that regionalism is a "metaphor for our time,"[88] which implies that regionalism may work well, especially in reducing uncertainty inherent in anarchy and the security dilemma.

---

[87] The idea of open self-reliance, according to Chong Li Choy, is normally related to the development of states with autarkic systems. The entire idea implies a strategy whether that states seek a fulfilment of self-reliance within the regional grouping. See Chong Li Choy, "Open Self-Reliant Regionalism: Power for ASEAN's Development," ISEAS *Occasional Paper*, 65, 1981, p. 41.

[88] Robert D. Hormats, "Making Regionalism Safe," *Foreign Affairs*, Vol. 72, No 3 (March/April 1994), p. 100.

Even so, regionalism will sometimes depend upon international support for its success. With regard to the domestic and extra-regional level, regionalism seems to be much less effective.

Conclusion

The findings of this chapter, when combined with the findings of the two preceding chapters, demonstrate that conflict-cooperation are the most frequently employed variable in research. And the findings presented in this chapter also demonstrate that traditional international relations inquiry had produced little knowledge about co-operation between small states, particularly in the ASEAN region. The present analysis has served to raise as a serious concern: namely that there exists the possibility that the most fundamental assumptions of the field are inadequate.

The next chapter will try to evaluate the creation of the ASEAN Regional Forum. It does so by taking a less synoptic view and a more in-depth approach. It will also provide additional evidence to examine the ARF phenomenon and see how it might be applicable to the wider regional security context in the Asia-Pacific.

CHAPTER 4

ASEAN REGIONAL FORUM: A NEW ASPIRATION?

The synoptic analysis presented in chapter 3 is not intended to supplant traditional reviews and assessments of research but to supplement them by providing empirical evidence that will test the adequacy of theory and paradigms subject to the principle of falsifiability. This chapter continues to evaluate the propositions developed in the previous one and considers the tendency for regional states to prefer co-operation.

Therefore, the first section of this chapter begins by examining the present and future interests of the ARF. Why an ARF? and why now? In fact, the demand for more extensive co-operation in ASEAN derives in part from rapid changes in the international political system in the region. These include a shift in the distribution of power as well as changes in the pattern and intensity of political and economic interaction. All these continue signal the persistence of uncertainty and instability. From this perspective, the quest for Asia-Pacific regionwide co-operative institutions capable of governing complex relations, especially in relation to regional security, must focus on the progress made elsewhere in forming regional institutions. As a consequence, the ASEAN Regional Forum (ARF) was created to discuss regional issues and held its inaugural working session in July 1994.

The second section is followed by an assessment of ARF's applicability in a theoretical context. Clearly, it may be premature to evaluate the ARF at this early stage. However, questions may still be raised as to whether a further regionalisation of the so-called "ASEAN way" mechanism is applicable to a wider

Asia-Pacific region, which is several times larger than ASEAN in geographic size and population and is far more diverse in ethnic, cultural, and religious terms and levels of economic development and types of political systems. Or, we may ask from a theoretical perspective, is the ARF, with a balance of power in mind, leading the region towards a more realist vision society or towards a more promising future as a highly institutionalised community? Is it perhaps even a completely new approach toward regional security?

The final section discusses future challenges and the prospects for the ARF from a wider regional perspective. Three main actors, the US, Japan and the PRC, will be discussed and see how they mutually interact.

4. 1 AN ASEAN-CENTRED MECHANISM

If the ASEAN-style preventive diplomacy is thought by its members to be an important ASEAN achievement for the Southeast Asian region and a model to the world, then the launching of the ARF should also be considered a significant effort made by ASEAN to develop a security framework in the Asia-Pacific region, despite its initial uncertainty. An extension of ASEAN's experience in co-operative security to the Asia-Pacific region could facilitate the creation of a more secure and predictable strategic environment for the region. Ideally, the establishment of the ARF at a formal governmental level will bring together a number of Asian and Western powers to discuss mutual security concerns, and in the long run this may replace the traditional system of bilateral security ties in the

region dominated by the US.[1] However, a process modelled on the CSCE (Conference on Security and Co-operation in Europe) was actually rejected, because it suggests a form of collective security or collective defence arrangements.[2]

In fact, behind its creation there were different opinions as to whether ASEAN should seize the initiative in creating a new multilateral security architecture in the face of the dramatic change of the international environment after the end of the Cold War. At the fourth summit of ASEAN in 1992, Singaporean Prime Minister, Goh Chok Tong, signalled his desire to extend security co-operation with a wider group of regional states through external dialogue by suggesting that "ASEAN should intensify its external dialogue in political and security matters by using the ASEAN Post-Ministerial Conferences."[3] At the same time, Indonesian Foreign Minister, Ali Alatas, expressed his hesitation even on the eve of announcing the ARF in July 1993 by insisting that "the situation in East Asia and the Pacific at this moment would not warrant an immediate multilateral institutional thing."[4]

Nevertheless, ASEAN leaders agreed to launch a three-stage process, namely: 1) the promotion of confidence-building measures; 2) the development of preventive diplomacy; and 3) the elaboration of approaches to conflicts.[5] This so-called ARF Concept Paper is based on the principles of full and equal participation and the

---

[1] Crone, "New Political Roles for ASEAN," in Wurfel and Burton, eds., *Southeast Asia in the New World Order: The Political Economy of a Dynamic Region*, p. 45-46. Also in Brian Bridges, "Western Europe and Southeast Asia," Wurfel and Burton, op, cit., p. 216; *Far Eastern Economic Review*, 5 August 1993, p. 11.
[2] *Far Eastern Economic Review*, February 6, 1992, pp. 10-11.
[3] *ASEAN: An Overview*, Jakarta: ASEAN Secretariat, 1995, p. 68.
[4] Quoted in Michael Antolik, "The ASEAN Regional Forum: The Spirit of Constructive Engagement," *Contemporary Southeast Asia*, Vol. 16, No. 2 (September 1994), p. 120.
[5] "Chairman's Statement of the Second Meeting of the ARF," Bandar Seri Begawan, Brunei Darussalam, 1 August 1995, Jakarta: ASEAN Secretariat, 1995.

consensus of all participants. To facilitate these principles, a regular exchange of views on measures to enhance an enduring peace, stability and prosperity would move along two tracks. Track one will be carried out by ARF governments. Track two will be carried out by non-governmental strategic institutes to which all ARF members are eligible. In this regard, the ARF is seen a long-term process for CBMs on security issues. The fundamental question, however, is whether the ARF can develop the capacity to go beyond confidence-building towards preventive diplomacy.

Apparently, it was the ASEAN belief that an ASEAN-style ARF could be applied in a wider Asia-Pacific region. Three significant approaches can thus be derived from the ASEAN model. First, there will be no hegemony of any major power participating in the ARF, and no single country has the right to impose its views on others. Against a larger backdrop of the evolving relations employed in the region, in which only a power makes the rule, the announced goal of the ARF is a collective effort to develop an environment of peace, prosperity and stability in the Asia-Pacific.[6] According to Jusuf Wanandi, the ARF is to fulfil ASEAN ideas, including ZOPFAN, TAC and SEANWFZ (Southeast Asian Nuclear Weapons-Free Zone). Acceptance of these ideas implies that the ARF can not only reduce tensions and confrontations in the region but also provide assurance that the vital interests of each member will be considered in the process of decision-making, and any decision shall be based on careful and extensive consultations among all members.[7] In this way, members of the ARF would not resort to force in resolving conflicts among themselves. Some existing problems that have not been solved

---

[6] Ibid.
[7] Jusuf Wanandi, "The ARF: Objective Processes and Programmes," paper presented at the Ninth Asia Pacific Roundtable, Kuala Lumpur, June 1995.

would be swept under the carpet, and consensus on common interests will be fully intact. In some cases, many problems can still be solved by strengthening bilateral relations.

Second, a non-governmental support structure, the Council for Security Co-operation in the Asia-Pacific (CSCAP), was established in 1993 as a "second-track" approach to complementing the official ARF process. It should be noted that the initiative, to some analysts, Paul Evan and Desmond Ball for example, represents a significant achievement of multilateralism in the Asia-Pacific region. The CSCAP is an academic-driven seminar and conference. It has played a similar role as ASEAN-ISIS (Institute for Strategic and International Studies), which pushes ASEAN in the direction of a more formal process of security dialogue.[8] More specifically, CSCAP has four important projects, comprehensive security, maritime co-operation, enhancement of security co-operation in the North Pacific, and confidence- and security-building measures.[9] Thus, the main idea of CSCAP is to create a more structured process in the hope that the so-called "second track" approaches could compensate for some sensitivities obstructing the ideas and options generated in the formal governmental process. In this way, CSCAP can indeed be very crucial because understanding, communication, and confidence will

---

[8] "Track two" refers to the blended meetings of academics, journalists, officials, etc. These have become an Asia-Pacific speciality. See Desmond Ball, "CSCAP: Its Future Place in the Regional Security Architecture," paper presented to the Eighth Asia Pacific Roundtable, ASEAN ISIS, Kuala Lumpur, 6-8 June 1994. Paul M. Evans, "Building Security: The Council for Security Co-operation in Asia Pacific (CSCAP)", *The Pacific Review*, Vol. 7, No. 2, 1994, pp. 125-140; also Evans "The Council for Security Co-operation in the Asia/Pacific Region: Context and Prospects," paper presented to the conference on 'Economic and Security Co-operation in the Asia Pacific: Agenda for the 1990s,' Canberra, 28-30 July 1993.
[9] *The Security of the Asia Pacific Region*, CSCAP Memorandum No. 1 (April 1994).

take time to foster. Moreover, security co-operation in this region is an entirely new test.

Third, to encourage all ARF participants to enhance their consultations on security co-operation, including exchanges on security perceptions on a bilateral, sub-regional and regional basis, the concrete proposals for co-operation should first be raised and accepted by ASEAN itself. In other words, ASEAN has sat in a driver's seat and become the major driving force to sustain dialogue, facilitate understanding and enhance the confidence of ARF members in the process. Ideally, following such ASEAN-centred characteristics, regardless of possible responses from others, a genuine willingness to see the view and position of others in ARF may gradually take shape. Viewed in this way, any method of exercising influence and superiority by one member over the others will be rejected. The dialogue is thus conducted in a flexible way between friends rather than opponents.

Quite clearly, ASEAN is attempting to play an active, leading role in the regional network by creating opportunities to enter into dialogue with adversaries through the ARF. The ARF is thus the result of the vision and foresight of the ASEAN heads of governments, who agreed that ASEAN could use established fora to promote external dialogues on enhancing security in the region as well as intra-ASEAN dialogues on regional security. ASEAN could intensify its external dialogues on political and security issues by using the ASEAN-Post Ministerial Conference (PMC). Potential disputes could thereby lessened, and confidence would develop and grow. This could eventually lead to peace, security and prosperity for all in the region.

While most observers were not in disagreement about the novelty of the ARF as an ASEAN proposal, they were in unison about the problems confronting its

implementation and realisation. In this respect, one can argue that ASEAN is seeking to serve as a regional balancer or mediator. Two reasons, according to Leifer, explain ASEAN's success in playing a central role in promoting a regional security dialogue. First, ASEAN can be an acceptable interlocutor, or an honest broker, among major powers (the US, Japan and China) because of their suspicions of each others' intentions. Second, the ASEAN model can provide a better momentum applicable to a wider Asia-Pacific region in the post-Cold War era because there is no imminent common threat of creating a counter military alliance.[10] However, Leifer has questioned the validity of the ARF by arguing that "to interpret its role in terms of a new paradigm in international relations would be the height of intellectual naivety." And such a multilateral undertaking, in Leifer's view, would be tantamount to "making bricks without straw." But in the absence of any alternative arrangements in the region, "bricks made without straw are better than no bricks at all."[11]

Critics argue that an ASEAN-centred ARF has remained merely a theoretical possibility and unrealisable in the real world, for it is largely an utopian construct. So far, ASEAN members have yet to develop adequate capabilities to solve their own internal problems, let alone problems from a wider and more complicated Pacific region. The question "why the ARF and why now?' subsumes some assumptions. One assumption is that creating a multilateral mechanism might be expressive of ASEAN's intention to preempt its influence over East Asia. Sheldon W. Simon has pointed out that unless ASEAN "seized the initiative on security multilateralism, an Asia-Pacific organisation would be created and then dominated

---

[10] Michael Leifer, *The ASEAN Regional Forum: Extending ASEAN's model of regional security*, Adelphi Paper. 302 (London: Oxford University Press for IISS, 1996), p. 26.

by outsiders."[12] Indeed, only by doing so can ASEAN be relevant to the wider security questions in the Asia-Pacific region, particularly with regard to the South China Sea. The ARF, under such circumstances, could be an instrument employed by ASEAN to protect its own interests or as the glue to reinforce its political cohesion.[13] Given that the ARF shares the ASEAN-style advantages, the fact that ASEAN has consistently downplayed the security aspects of its own in the past makes this departure particularly significant. Furthermore, the creation of the ARF, to a large extent, means bringing together a number of Asian and Western powers to discuss mutual security concerns. This seems to be at odds with ASEAN's long persistent identity in fending off external influences.

Indeed, the future path of the ARF is not yet clear. Its efficacy will be severely tested by trying to deal with regional as well as external powers. But ASEAN has put its faith and reputation in consultation as the first line of defence, a faith embodied in the ARF, to which the Great Powers in the Asia-pacific region are invited to. Dialogue, leading towards confidence-building, is the best way towards a genuinely peaceful community. In this sense, the formation of the ARF, at least, is modestly promising. After all, extending an ASEAN-centred confidence-building dialogue in an uncertain strategic environment is better than nothing. ASEAN's role, therefore, as Paul Evans observes, "has moved from the periphery

---

[11] *Ibid.*, p. 59.

[12] Sheldon W. Simon, "Security Prospects in Southeast Asia: Collaborative Efforts and the ASEAN Regional Forum," A paper presented for the University of Mainz Conference on the 30th Anniversary of ASEAN, July 10-12 1997, Mainz, Germany.

[13] Julius Caesar Parrenas, "The Future of ASEAN," Chan Heng Chee, ed., *The New Asia-Pacific Order* (Singapore: ISEAS, 1997), pp. 205-207.

to centre stage."[14]   In that context, the following section will examine the ARF from a theoretical perspective.

4. 2 ARF IN THE THEORETICAL CONTEXT

4. 2. 1 THE HEGEMONIC STABILITY THESIS?

Traditional concepts of international order, as noted in chapter one, are constructed around the mutual recognition of sovereignty and aim at the creation of certain minimalist rules and institutions designed to limit the inevitable conflict that is to be expected within a pluralist and fragmented international system. Such views have been challenged by the idea that international order involves more extensive schemes of regional co-operation to safeguard peace and security, to promote economic development, to solve common problems, and to sustain common values. More importantly, international order implies an effort of states to because involved in the creation of norms and rules that deeply affect the domestic structures and organisation of states.

Yet this may not necessarily be the case for some. From a neo-realist point of view, although the end of the Cold War has changed the context of international environment, the idea of using an international regime like the ARF as a means of or constraining the potentially disruptive effects of unequal power distribution still remains highly suspicious. In addition, the idea that using relatively high levels of institutionalisation could eventually restrict the vulnerability of certain states,

[14] Paul M. Evans, "Emerging Order in Asia Pacific," Wurfel and Burton, eds., *Southeast Asia in the New World Order The Political Economy of a Dynamic Region*, p. 14.

ASEAN in particular, to the unilateral exercise of regional or external powers would also be naive. Neo-realists argue that from the perspective of hegemonic stability, the establishment of institutionalised co-operation depends heavily upon an unequal power distribution and the existence of hegemony. If the hegemon is in an extremely dominant position, the very extent of that power may make institutions unnecessary or at best marginal. They also argue that international regimes grow and flourish under the benevolent auspices of a single hegemon, because a hegemon has the resources to entice or coerce other states into participating in an international regime, and to provide the system with collective goods, especially by acting as a leader of last resort in the financial sector.[15] In other words, the dominant power favours such a regime for it increases economic well-being and provides it with more political leverage. In this respect, the concept that international co-operation owes most to the presence of a hegemonic power capable of imposing its preferred pattern of relations among other countries became central to the contemporary realist paradigm, and the US-led grouping of advanced industrial countries and the Soviet-led socialist bloc in the Cold War era is the favourite model of hegemonic stability.

The world, as Keohane argues, might have been dominated decades and centuries ago by hegemons which set the rules whereby global resources and statuses were allocated, but today's bifurcated structure is simply too decentralised

---

[15] Charles p. Kindleberger, "Dominance and Leadership in the International Economy: Exploitation, Public Goods, and Free Rides," *International Studies Quarterly*, Vol. 25, 1981, pp. 242-254. See also Andrew Wyatt-Walter, The United States and Western Europe: the Theory of Hegemonic Stability," in Ngaire Woods, ed., *Explaining International Relations Since 1945* (Oxford: Oxford University Press, 1996), pp. 126-149; Martin Hollis and Steven Smith, *Explaining and Understanding International Relations*, pp. 36-38; Rosenau and Durfee, *Thinking Theory Thoroughly*, pp. 23-27; Gilpin, *War and Change in World Politics*, pp. 34-36.

to be ruled by a single hegemon. Without a certain degree of co-operation from other states, even a hegemon cannot guarantee either stability or effective leadership.[16] Critics also challenge some versions of hegemonic stability theory by arguing that no single hegemon has the absolute power to lay down the law for institutions. Laying down the law is a collective endeavour with mixed results. The fundamental purpose of international institutions is to prevent the rise of a hegemon. For example, Robert Gilpin believes that smaller states have changed their co-operative arrangements, thus contributing to relative hegemonic decline; and he sees this change in world history as an unending cycle: "the conclusion of one hegemon war is the beginning of another cycle of growth, expansion, and eventual decline."[17] Robert Jervis shares a similar view by explaining the transformation of international order by means of historical long-cycle theory which asserts that the costs of maintaining economic and political order and preserving an empire eventually weaken the hegemon. As the weight of global responsibilities take their toll, new rivals ascend to challenge the increasingly vulnerable world hegemon. This diffusion of power sets the stage for another global war.[18]

However, the long-cycle theory is not without its critics. In particular, the question has been raised: Must the implied world leader, specifically the United States, rise and fall as if to conform to the law of entrenched cycle? The

---

[16] Keohane, *After Hegemony: Co-operation and Discord in the World Political Economy*, pp. 31-46; see also Keohane and Nye, Power and Interdependence, p.44-45.

[17] Gilpin, *War and Change in World Politics*, p. 210

[18] For a discussion of long-cycle theory see Robert Jervis, "The Future of World Politics: Will it resemble the past?" *International Security*, Vol. 16, No. 2 (Winter 1991-1992), pp. 39-73. See also Charles W. Kegley, Jr., and Gregory Raymond, *A Multipolar Peace? Great Power Politics in the Twenty-first Century* (New York: St. Martin's Press, 1994), 72-88.

implication of this thinking has yet to fully materialised so far. Some argue that the US still plays a leading role in terms of global political and economic agendas, even after the end of the Cold War. Others contend that the US indeed has been declining.[19] More significantly, we must ask: does history repeat itself exactly? In other words, must there necessary be the demise of one hegemon and the rise of another through a major war?

Whatever one's position in the debate over whether the US has declined as the state-centric world's hegemonic leader, it is apparent that the emergence of a multilateral world has sharply reduced the possibility that any single hegemon can dominate global politics. Nowadays, hegemons have found it increasingly difficult to exercise economic as well as political domination, even within their own spheres of influence. The rise of the multi-centric world has challenged a state-centric assumption that brought major changes to the state-centric world. Although some analysts, such as Richard Ned Lebow, may argue that the fragmentation of international politics derives from the declining ability of the hegemons to maintain control over the course of events,[20] it appears more accurate to see hegemonic decline as a consequence rather than as a cause, of the decentralising tendencies. It is the global trend that has turned in decentralising directions, thus making the concept of hegemony in global politics obsolete. As one observer puts it,

A nobody-in-charge world doesn't mean a leaderless world. It just means that the governments of leading countries have to exercise their leadership

[19] For highlights of such debates, see Samuel P. Huntington, "The US—Decline or Renewal? *Foreign Affairs*, Vol. 67 (Winter 1988/89), pp. 76-96; Bruce M. Russett, "The Mysterious case of Vanishing Hegemony; or Is Mark Twain Really Dead?" *International Organisation* Vol. 39, No. 2 (Spring 1985), pp. 207-31. Charles Krauthammer, "America Rules: Thank God," *Time*, August 4, 1997, pp. 28-29.
[20] Richard Ned Lebow, "The Long Peace, the end of the Cold War, and the failure of realism," pp. 250-51.

not by threatening or browbeating or invading or colonising peoples that don   agree with them, but rather in ways that are more multilateral, more coherent, more consultative, and more consensual than ever.[21]

In contrast to the power transition concept, that focuses on the problem of hegemonic decline and its consequences, Donald Crone maintains that declining hegemony, may well press the hegemon towards the creation of, or participation, common institutions to pursue its interests, to share burdens, to solve common problems, and to generate international support and legitimacy for its policies. Some effects would thereby reflect on international politics. On the one hand, the declining hegemon would be particularly conducive to the creation of regional arrangements that could provide effective leadership. On the other hand, this possibility is balanced by the perception that declining power makes co-operation ever more necessary.[22]

The implications seem to suggest that the decline of hegemonic power may induce co-operation, and thereby international institutions could be strengthened by both hegemons and participants. This would provide an answer to the question that has long troubled international politics: what happens when the hegemon needed for hegemonic stability begins to decline? The answer is to be found in the persistence of international regimes which not only continue to support the interests of the hegemon but also promote the interests of all participants. In fact, hegemonic stability theory, or more precisely neo-realism, says little about regional co-operation and the ways in which the habits of sustained co-operation may involve institutional structures very different from the traditional concept of a

---

[21] Harlan Cleveland, "The Future of International Governance: Managing a Nobody-in-Charge World," *Futurist* (May-June 1988), p. 12.

145

coalition, alliance, or international organisation. It also says very little about regional awareness, which is regarded as an essential part of the cohesion towards regional integration. But it has good deal to indicate about the importance of hegemony and its possible influence to regional states. From this perspective, declining hegemony, indeed, has provided a better chance for regional integration. But it could as well result in an enlarged set of internationally agreed constraints to maintain order in what otherwise, in the absence of the hegemon's heavy hand, might be a destructively volatile period of sorting out new power relationships.

However, the possibility of a substantial US decline in its interest in the Asia-Pacific region in the short and even medium term is minimal, the widespread discussion of American withdrawal. In the longer term, even if there is a belief that the US will decline in relative importance and hesitate to seek hegemony over the region, its role may be moving from that of a hegemon to that of a balancer.[23] Thus, the emergence of regional security regimes, like the ASEAN Regional Forum in the Asia-Pacific region, should not be viewed simply in terms of hegemonic stability, even though it does need Great Powers' support. Rather, that consequence is based on the benefits it provides: by facilitating communication, information, transparency; by reducing mutual threat perceptions and worst-case thinking; and by undercutting the self-fulfilling prophecies that lie at the heart of the security dilemma. Nonetheless, the ARF is still at its embryonic stage, and the Asia-Pacific region is still in transformation. Would the formation of the ARF in a period of declining hegemonic power give the declining hegemon a new lease of life or, alternatively, contribute to the consequence of a new hegemon?

---

[22] Crone, "Does Hegemony Matter? The Reorganisation of the Pacific Political Economy," pp. 501-525.

4. 2. 2 A BALANCE OF POWER?

There are many different ways to consider relationships between conflict and political, as well as economic, interactions. For realists, states are inevitably conflictual because the international system and its anarchical structure require that, in order to avoid war, the mechanisms of diplomacy, international law, and the balance of power operate effectively. They see war as a necessary evil or at least an inherent evil in the system. In his earlier book, *Man, the State and War*, Waltz even expresses a more pessimistic view about system in a very explicit way: "wars occur because there is nothing to prevent them."[24] Later, he explains that it is an unequal distribution of power that causes conflict.[25] This picture not only implies that the system somehow operates by the ebbs and flows of the power of states but also looks very deterministic, leaving little room for the policy-makers to act.

Yet this is only part of the realist picture; the central theoretical mechanism at work is again individuals. The pursuit of power is a primary motive underlying state behaviour, and this drive is assumed to be permanent. Relentless competition for domination inevitably produces disparities of strength among the powers. As a result of this competition, the distribution is constantly shifting. This is because the basis of order is the delicate adjustment of power to power, or what can be termed as the balance of power. Obviously, states are only interested in a balance or imbalance which is in their favour. Periodically, the perceived balance will be

---

[23] Byung-Joon Ahn, "The United States in Asia: Defining a New Role," Chee, ed., *The New Asia-Pacific Order*, pp. 135-141.
[24] Waltz, *Man, the State and War*, p. 232.

challenged or tested, and those tests and challenges tend to involve military power. John Vasquez summarises his findings when he states that "either a balance of power nor a preponderance of power is associated with peace, but rather each is associated with different types of war."[26]

As noted earlier, during the Cold War period, owing to the direct military confrontation between the two blocs, the situation in the Asia-Pacific region was a loose kind of bipolar system because there existed a third party. Generally, the existing contradictions among regional states were less likely to lead to large-scale conflicts due in part to the high priority attached to economic growth and the lack of imminent threats to their national security. It is noteworthy that during this period the regional stability was fundamentally based on bilateral alliances, which indicated that regional security did benefit from the practice of a balance of power. However, the regional balance of power and alignment have undergone dramatic changes accompanied by the end of bipolarity. Some regional powers, the PRC and Japan in particular, have emerged and are contending for the dominating position in certain fields, and their long-term policies are not yet transparent. In the context of the Asia-Pacific region, it appears that a traditional bipolar system is gradually giving way to a multilateral system.

Despite a collapse of bipolarity and a fundamental change in Asian international politics, as Paul Dibb indicates, the concept of the balance of power is still valid and relevant to contemporary policy in Asia. According to his observation, four major actors, the US, Japan, China and India, have played important roles in the

---

[25] Waltz, *Theory of International Politics*, p. 67, and ch. 6.

[26] John A. Vasquez, "World Politics Theory," Mary Hawkesworth and Maurice Kogan, eds., *Encyclopaedia of Government and Politics*, Vol. 2 (London: Routledge, 1992), p. 852.

changing power balance in the region.[27] The changing distribution of power, a relative decline of American influence, the emergence of Japan and China, and an invitation of India to ASEAN, will ensure competition among the Great Powers and the formation of new power balances. The establishment of multilateral security mechanism as the ARF is unlikely to solve any substantial problems for some considerable time. In his conclusion, Dibb stresses that the solution for regional states is to rely on both self-reliance and co-operation with the Great Powers, and they need a new approach which "will be driven by the need to maintain a balance of power that avoids domination and reassures the middle (and small) powers that there is an alternative to great-power politics."[28] Similar to Dibb's obsession with the balance of power framework that prevails in regional security, Leifer has regarded the ARF as having only an unstated role to restrain China's increasing regional assertiveness, and the US is to be the balancer. He suspects that despite its lack of strong common interests and its putative structure, the ARF is still capable of solving problems and conflicts. Therefore, t is more realistic to regard the forum as a modest contribution to a viable balance or distribution of power within the Asia-Pacific by other than traditional means."[29]

If Dibb and Leifer are correct, it is the rule of the balance of power that appears to be the option for regional states to choose. Indeed, the fact that most Asian leaders, except for China, urged the US to maintain an "adequate military presence" in the region and play the role of "co-architect" in Asia's new regional order has made it clear that no state would be willing to rely for its own security on

[27] Paul Dibb, "Towards a New Balance of Power in Asia," *Adelphi Paper* 295 (London: IISS, 1995), pp. 3-5.
[28] Ibid., pp. 72-73.
[29] Leifer, , *The ASEAN Regional Forum: Extending ASEAN's model of regional security,* pp. 48-50, and 59.

the ARF alone.[30] In this regard, the new structure in the Asia-Pacific could be viewed as a multilateral form of the balance of power, and an effective ARF is thus dependent on a stable balance of power in the region. Viewed in this way, a question arises concerning states behaviour in a balance of power. Traditional realists and neo-realists differ in their views of how much choice states have in balancing, although they agree with the balance of power in principle. Realists see considerable leeway for states. Neo-realists assume that balances arise naturally from the anarchy of the system. In either case, failure to balance is rather rare. But realists believe that balance may fail to arise when states have low perceptions of threat or have no other options.[31]

However, if multilateralism in the Asia-Pacific is on the rise and regional co-operation has been increasing with hegemonic decline, or even if states change their perceptions about power, then the notion of balance of the power in this region might well be in question. First, in theory, power should be objectively measurable, as it can change markedly and rapidly in both quantity and quality. Its implications for international politics, thus, are continuously subject to significant change. In practice, as commonly understood, power is a multidimensional concept consisting of military, economic, and political potentials. Moreover, the measurement of a power also depends on the influence of one actor on another actor.[32] Even so, it is still difficult to decide who is a power, for the problems of

---

[30] Tommy Koh, "America's Role in Asia: Asian Views," CAPA (Centre for Asian Pacific Affairs) Report, Asia Foundation, San Francisco, November 1993, pp. 2-3.
[31] For a discussion of their differences, see Dougherty and Pfaltzgraff, *Contending Theories of International Relations*, pp. 30-35
[32] Power as a concept refers to the ability to make others do what they would not otherwise have done. Traditionally, power is decided by its influence. A great power (or superpower) involves the capability of projecting large amounts of military force at all points in the world. See Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, Revised by Kenneth W. Thompson, ch. 9.

150

quantifying power exactly are too great. Moreover, states change their behaviours depending on the polarity of the international system. This alteration is expressed through the operation of the balance of power. The balance, according to Ernst B. Haas, operates differently depending on the polarity of the system.[33] Thus, the question of which state is a Great Power needs to be clarified and clearly defined. Unlike a bipolar system in which "absolute power equals absolute impotence,"[34] as some analysts argue, in a multilateral system alliances are constantly shifting with the aim of re-establishing balance. However, on the basis of their actual capabilities utilised for the purpose of coercing others, the US, without doubt, is a Great Power from any perspective, but it is debatable whether China and Japan, judging from their existing capabilities which are clearly far below those of the US, can be ranked as Great Powers. To a large extent, their influences are regional rather than global.

Second, some analysts argue that the balance of power is designed to check a potential or existing hegemon. Alliances are thus formed to ensure the continued existence of the state system by balancing hegemons through conquest.[35] Stated in a simplified form, the balance of power refers to the tendencies of states to align themselves with others to enhance their security or promote their own interests.

Dougherty and Pfaltzgraff, Jr, *Contending Theories of International Relations: A Comparative Survey*, pp. 85-90; Waltz, *Theory of International Politics*, pp. 129-32; K. J. Holsti, *International Politics: A Framework for Analysis* (New Jersey: Prentice-Hall 1967), pp. 193-94; Richard K. Betts, "Wealth, Power, and Conflict: East Asia after the Cold War," in Ross ed., *East Asia in Transition: Toward a New Regional Order*, pp. 22-29.

[33] Haas, "The Balance of Power: Prescription, Concept or Propaganda?" pp. 442-477.

[34] John Herz, *International Politics in the Atomic Age* (New York: Columbia University Press, 1959), p. 22. See also in Mearshimer's "Back to the Future: Instability in Europe After the Cold War," op., cit. pp. 14-16.

According to this rule, states tend to join the weaker side, where they are both safer and more appreciated. Moreover, joining the weaker side will increase states' influence within the alliance. From a realist perspective, the rise of China and Japan would be welcome by regional states because their emergence as powers would lead to a functional balance of power. Ironically, their growing strength has caused serious concerns, and a continued US military presence is therefore seen by many regional states as a necessary means to maintain regional stability. In Yuen Foong Khong's view, the balance of power concept, when applied in the Asia-Pacific region, is theoretically imprecise, because the above-mentioned behaviour suggests that regional states do not intend to join either Japan or China against the United States. Their behaviour could be seen to be more consistent with the concept that states balance against threat instead of power.[36] This tendency is not surprising, for balancing against existing or potential threats is safer than relying on the hope that states are likely to be rewarded for their contribution to the balance of power.

Third, would the ARF be "a balance of power regime?"[37] It is generally assumed that the ARF is motivated by a desire to constrain China, and a balance of power can be operated ideally through the ARF mechanism. However, one should bear in

---

[35] For a detailed discussion about alliances formation see Walt, *The Origins of Alliances*, ch. 2 and ch. 5; Inis L. Claude, "The Balance of Power Revisited," pp. 77-85.

[36] Yuen Foong Khong, "Making Bricks Without Straw in the Asia Pacific? *The Pacific Review*, Vol. 10, No. 2, 1997, pp. 289-290.

[37] "A balance of power regime", according to Richard K Ashley, refers to a "regime bound within the identities of the participant states that their observations of its rules and expectations become acts not of conscious obedience to something external but of self-realisation, of survival as what they have become." See Ashley, "The Poverty of Neo-realism," Keohane, ed., *Neo-realism and its Critics*, p. 294; also in Ashley's *The Political Economy of War and Peace: The Sino-Soviet-American Triangle and Modern Security Problematique* (London: Frances Pinter, 1980).

mind that the ARF is not a military alliance, nor is it a collective defence community. And it would be unrealistic to expect a forum with only a consultative character effectively to restrain China's territorial adventurism elsewhere, especially in the South China Sea. The worst possibility is that "the traditional instrument of balance of power, if expressed in a new multilateral form, is more likely to provoke than to protect, particularly regarding China."[38] Viewed in this way, it would be dangerous to regard the ARF as a balance of power regime. Besides, a balance of power should be viewed as a means, not an end, even though some political elites may seek influence as an end in itself, just as some people may value money not only for what it can buy but for its own sake. This is not to suggest that the interests of the major participants are irrelevant to the balance of power. In fact, it suggests that a balance of power scheme rarely mirrors the pattern of interests and capabilities from which it originated. Therefore, the ARF, to a certain degree, could be viewed as a means of heading towards regional stability, but it can never be seen as a means of achieving a balance of power. Indeed, as Cossa asserts, "the return of a regional bi-polar struggle to pitting any two against the third serves no one's interests."[39]

In short, an examination of the ARF in the theoretical context reveals that it does not support traditional realist approaches to the explanation of ARF's specific goals. The implication is that some serious rethinking of realism is needed in view of the new security contexts in the region. For the time being, the security architecture in the Asia-Pacific region, as one observer puts it, can be described as "a complex amalgam of great power balancing, bilateral alliances (some of which

---

[38] Leifer, *The ASEAN Regional Forum: Extending ASEAN's model of regional security*, op., cit., p.53.

153

may decline in importance), unilateral defence policies (which will increase in importance) and emerging multilateral mechanisms. The latter may offer the best prospect for shaping the regional security environment in the longer term."[40]

4. 2. 3 A NEW APPROACH?

If drives for hegemony and the balance of power were a normal consequence of power competition and anarchy, then one would expect to see them emerge from the regional-states systems. However, few reproductions of assumed and controversial patterns in the European experiences can be seen in the Asia-Pacific region, although some might argue that they may emerge in the future. This does not mean that a recurrence and reproduction of patterns of European experiences is not possible in other areas of the world. Rather, it is to suggest, as K. J. Holsti recommends, "two or more different international systems, linked in some ways, but having actors, dynamics, problems, and patterns of behaviour that may be unique to each."[41] Or, more precisely, there is rarely a sufficient condition or strategy for the assurance of peace in the contemporary Asia-Pacific region. It may be necessary to create an environment of peaceful interaction that enables regional states to engage in the politics and practice of co-operative security.

There should always be non-observable elements in a theory. Actually, the emerging "constructivist" perspective on critical theories in international relations

---

[39] Ralph A. Cossa, "US Foreign Policy in Asia: Churchill was Right!" *Strategic Review* (Winter 1995), p. 77.

[40] Paul Dibb, "The Emerging Strategic Architecture in the Asia-Pacific Region," Roy, ed., *The New Security Agenda in the Asia-Pacific Region*, p. 117.

[41] K. J. Holsti, "International Theory and War in the Third World," Brian L. Job, *The Insecurity Dilemma: National Security of Third World States* (Boulder & London: Lynne Rienner Publishers, 1992), p. 58.

exhibits a distinctive profile. It investigates the prospects for new forms of community in which individuals and groups can achieve a higher level of freedom. It rejects the conventional assumption that there is an unchanging universal yardstick for judging social developments and international political fate. In this respect, the specific forms of ARF are said to be part of the process of regional awareness and regional identity that focus on the shared sense of belonging to a particular regional community. This view is commonly known as constructivism.[42] At the core of its value lies the assumption that all social reality is constructed. There is a mutually causal relationship between general values or regimes on the one hand, and the nature of actors and their interests, on the other. Some scholars, including Stephen Haggard and Alexander Wendt, claim that all social phenomena are explicable that constructivism seeks to "identify common norms, principles, and knowledge that orient action across states", and that "the norms that shape actor preferences themselves constitute an investigable structure."[43] Under these circumstances, collective identification indicates empathy and solidarity. Actors can be egoistic, but they respect each other as members of a community where decisions are taken consensually. More importantly, such identity on both structure and interaction makes it possible for more collective understandings of self and other to emerge from repeated co-operation as a generic form of strategic

---

[42] John A. Vasquez, "The Post-Positivist Debate: Reconstructing Scientific Enquiry and International Relations Theory After Enlightenment's Fall," in Booth and Smith, eds., *International Relations Theory Today*, pp. 217-39.

[43] Stephen Haggard, "Structuralism and Its Critics: Recent Progress in International Relations Theory," Emanuel Adler and Beverly Crawford, eds., *Progress in Postwar International Relations* (New York: Columbia University Press, 1991), pp. 403-37. See also Alexander Wendt, Agent-Structure Problem in International Relations Theory," *International Organisation*, Vol. 41, No. (Summer 1987), pp. 340-44. Alexander Wendt, "Collective Identity Formation and the International State," *American Political Science Review*, Vol. 88, No. 2 (June 1994), pp. 384-94.

interaction in international politics. According to Friedrich V. Kratochwil, norms, principles and rules constitute the international game by determining who the actors are and what rules they must follow. Norms do not always exhibit rule-like characteristics, but they provide reasons for actors to do so.[44]

The key implication of constructivism is that the definitions, perspectives and theories used both identify subjects and objects in international relations, and to frame particular questions and hypotheses, are somewhat misleading. Generally speaking, the strength of constructivism focuses on its critical voices, for it is against hegemonic ways of thinking. It attempts to modify traditional concepts formed by both realist and liberal mainstream theories in understanding or explaining the real world. Constructivists stress the importance of shared knowledge, learning, ideational forces, and normative and institutional structures. This is not to say that constructivism has negated all theoretical assumptions. Rather it reminds us that it is our way of understanding which is fixed, although the assumptions underpinning realism's view of states and anarchy are deemed timeless and unchanging. In other words, instead of using texts to try to research the world, constructivists argue that one should be examining texts so as better to understand the historical, cultural and linguistic practices which lie behind our construction of the world. They also claim that by understanding intersubjective structures, one may trace the ways in which interests and identities change over time and new forms of co-operation and community can emerge. Further, they stress that international relations can not be separated from domestic politics, for

"International Institutions: Two Approaches," Robert O. Keohane, *International Institutions and State Power* (Boulder, Colo.: Westview, 1989), ch. 7.
[44] Kratochwil, *Rules, Norms, and Decisions: On the Condition of Practical and Legal Reasoning in International Relations and Domestic Affairs*, ch. 1

156

the two are interacting processes which construct international society. As Alexander Wendt puts it:

> Constructivists are interested in the construction of identities and interests, and as such, take a more sociological than economic approach to systemic theory. On this basis, they have argued that states are not structurally or exogenously given but constructed by historically contingent interaction.[45]

Constructivism, indeed, has provided an alternative research programme. However, like any other theories, constructivist approaches have their own limitations. For example, constructivism overestimates the importance of regional identities and the discourse of regions and region-building since so-called regional awareness and regional identity are inherently imprecise and ambiguous. Further, it is argued that even within a highly integrated community with shared values and beliefs, conflicts have often occurred, which highlights the fluidity of regional identity. In addition, given the fact that constructivists stress the inseparability of international relations and domestic politics, for the two are interacting processes which construct international society, they have not explained the relationship between actors' identities and their interests; for both, according to constructivists, are dependent variables rather than pre-theoretical givens that reside in human nature or domestic politics. Both identity and interest, under this condition, would be difficult to analyse because there is no explanation of what independent variables are and when actors decide to change and act against existing structures. Furthermore, if states' identities, interests and international regimes are interrelated, which implies that when one component changes, the other two will

soon follow, how can constructivism explain what induces the first component to change.[46] In this respect, constructivist approaches have difficulty in convincing both realists and liberals of their explanation of the processes of identity and interests that produce the motivations for a change in the international system. There is little doubt, as discussed earlier, that every theory, basically, has its own critics. The question is whether a theory can be tested.

Much of the discussion about the nature of security co-operation in the Asia-Pacific region focuses on the question of hegemonic stability and the balance of power. In a period of declining American domination, attention has gradually turned to the question of how to achieve international security through co-operation in a post-hegemonic era. Obviously, it is still very difficult at this stage to evaluate how far the ARF has gone and how long it will last. The answer may be different from one state to another according to the issue area. Some states may be in favour of further co-operation, while others may hesitate or resist such an agenda. There may even be some policy makers who are sceptical about the core of the ASEAN policy making process. Despite all these factors, what is important is that states that participate in the ARF forum, to some extent, share the perception of belonging to a particular community, in which norms, rules, and principles may shape the way for regional states to move towards collective understanding and identity in the long run.[47] Building on this view, rules and norms may constitute an Asia-pacific community, within which interests are formulated. From this

---

[45] Wendt, "Collective Identity Formation and the International State," op, cit., p. 385.

[46] For more discussion about critics on constructivism see Andreas Hasenclever, Peter Mayer and Volker Rittberger, *Theories of International Regimes* (Cambridge: Cambridge University Press, 1997), pp. 186-92. See also Haggard, *op, cit.*, pp. 413-15.

perspective, the ARF could be regarded as a process of social learning and identity-building in a regional context.

Basically, according to the ARF Concept Paper (see chapter. 4.1), the ARF is non-teleological, for it has not clear timetable for the completion of each stage, and it "is not so much about the substance or structure of multilateral interactions, but a claim about the process through which such interactions are carried out."[48] Consensus characteristics the process of ARF's decision-making mode, and thus no one would expect an easy decision being made, given there are more than 21 participants in the ARF. Nonetheless, the ARF represents a significant departure from old-fashioned thinking towards a new Asian-style mechanism. For better or for worse, since its first debut, more and more states are keen to get involved in the process of dialogue. Even so, it is unrealistic to expect the ARF, a co-operative security arrangement in its initial stage, to achieve any substantial conflict avoidance, and as noted earlier, no states' security will be helped by a "dialogue ARF". There still exists a certain form of the balance of power supported by the US, the PRC, and Japan, by which all regional states will be able to engage in the process of confidence- building.

The ARF, in short, may temper "the coldness of pure balance of power politics," as one analyst points out, for "it offers opportunities for small states to address their concerns with each other without reference to a great power."[49] However, a co-operative arrangement like ARF may be dangerous "when pursued alone, for it encourages the malevolent to grab their security interests without sufficient regard

---

[47] Ibid., pp. 163-65. See also in Wendt, "Collective Identity Formation and the International State," op, cit., p. 385-391.
[48] Acharya, "Multilateralism: From 'ASEAN Way' to 'Asia Pacific Way'?" p. 51.
[49] Chipman, "The New Regionalism: Avoiding Strategic Hubris," op. cit., pp. 29-30.

for the declared interest of others." Viewed in this way, the emerging multilateral security architecture in the Asia-Pacific region may be more promising than the creation of a military alliance. But this view clearly will not go unchallenged.

4. 3 CHALLENGES

4. 3. 1 STRUCTURAL CONSTRAINTS

Unlike the original ASEAN, in which security co-operation was excluded from its purview, even though there were bilateral security connections, the ARF recognises the implementation of security co-operation as the necessary element for preserving regional peace, prosperity and stability, and its announced means include not only military dimensions but also political, economic, social and other issues.[50] But there is an evident paradox in the forum seeking to maintain regional security through both military and non-military means, since, according to the Concept Paper, it is not, and will not be a military alliance, nor can it impose any sanction against the member states. Its only strength rests on achieving a non-legal binding consensus or the so-called "regional identity."

Questions can be raised as to whether errant behaviour will be punished, especially when the defector is a regional power, such as the PRC. The answer, for ASEAN states, is that in the past four decades ASEAN has never used punitive measures against any member state, for such measures might undermine its credibility and cohesiveness. In order to be in line with the practice of seeking consensus and inducing member states to co-operate, ASEAN has never been

160

induced to implement a "Tit-for-Tat" policy, nor has it ever imposed any sanctions against its member states. According to Daljit Singh's interpretation, every member state of ASEAN was encouraged to adhere to the rules and norms, especially following the principles of ASEAN way. The restraints against defectors would be peer pressure and considerations of political price instead of any substantial penalty.[51] Such a policy is based on the assumptions that no state wants to be the target of aggression and no one can legitimately act aggressively itself. In addition, states that respect the principle of reciprocity do not insist on a right for themselves. In other words, member states of ASEAN willingly evaluate their own actions by the same standards that they hold for other states' behaviours. There is little doubt that such principles have become norms accepted by all ASEAN participants.

Nevertheless, this may not necessarily be the case in ARF. The acceptance of certain norms does not mean a duty for all. In practice, when such a consensus-seeking process is extended to a wider regional body like ARF with more members and a greater diversity of motivations, it might be violated frequently, in part because there is no institutional framework to encourage actors to respect the process. Indeed, a sanctioning problem may occur when too many actors are involved, for it is difficult to identify defection. Even if it is possible, none of the actors is willing to play the role of a policeman. Moreover, it is still difficult to focus retaliation on defectors with a large number of participants. In such circumstances, the above-mentioned assumptions are impossible to realise, and

---

[50] See ARF Concept Paper, Chairman's Statement of the Second Meeting of the ASEAN Regional Forum, Brunei Darussalam, 1 August, 1995.
[51] Daljit Singh, "ASEAN and the Security of Southeast Asia," Chia Siow and Marcello Pacini, *ASEAN in the New Asia: Issues and Trends* (Singapore: ISEAS, 1997), p. 138-39.

when sanctioning problems are severe, co-operation is in danger of collapsing.[52] In comparison with the ARF, ASEAN consists of a small number of actors, which implies that their relationships are relatively easy to structure. Thus, if the ARF is to be seen as an international regime that can be instrumental in mitigating the cheating problem and can play an important role in protecting the interests of its members, it may need some frameworks to underpin its structural weakness and further institutionalise the development of reassurance in the region.

Another major structural constraint of ARF is its inclusiveness. It is generally accepted that the ARF is a co-operative security arrangement that is to bring potential adversaries into a co-operative framework through which certain norms and rules can be developed. Ideally, this could reduce possible misunderstandings and misperceptions that are major causes of war. According to the ARF's Guiding Principles, as Indonesian Foreign Minister Ali Alatas remarked at the third ARF meeting in July 1996, "the ARF should only admit participants that can directly affect the peace and security of the region on which the ARF shall focus its peace-building and peace-making efforts."[53] This guiding principle indicates that the ARF can be expected to bring all regional security concerns for either general discussion or bilateral consultation. In this sense, the absence of key regional security actors such as North Korea and Taiwan in the ARF obviously raises questions as to its inclusiveness which need to be resolved.

From the strategic perspective, the PRC has long been seen as a crucial strategic component in the region, not only because of its size, population and geographic proximity but also because of its economic and military potential. More

---

[52] Axelrod and Keohane, "Achieving Co-operation Under Anarchy: Strategies and Institutions," op., cit , pp. 94-98.

importantly, Its future intentions are uncertain. Thus, its participation in the forum has been seen as vital to the long-term regional stability. Understandably, the inclusion of the PRC in the ARF would imply the exclusion of Taiwan due to the persistent opposition of Beijing. North Korea, while its application for a membership of CSCAP was accepted, has not shown an interest in joining the security dialogue. It is apparent that the difficulty which the ARF, or ASEAN in effect, faces is that "the problems of Northeast Asia are unlikely to be addressed in any meaningful way in the forum and the great powers are likely to continue to prefer to handle their main regional security concerns on a bilateral basis."[54] Obviously, ASEAN's fear about drawing the complex disputes of Northeast Asia into the ARF's ambit raises serious doubts about the ARF's conflict prevention capability in the future regional context.

An additional constraint on the ARF's inclusiveness is the impending extension of its membership. Basically, ASEAN PMCs (Post-Ministerial Conferences) have institutionalised ASEAN's dealing with key actors outside the organisation. That is to say, only ASEAN states have the right to decide who may be a dialogue partner. So far, 21 members, including the ASEAN-9, Australia, New Zealand, Canada, the US, Japan, South Korea, the EU, China (PRC), Russia, India, Papua New Guinea, and Myanmar, are working together to address such issues as confidence-building, peacekeeping operations, and maritime search and rescue. These measures can be characterised as CBMs. However, Britain, France, Taiwan, Mexico, Egypt, Turkey and Pakistan have all expressed their interest in separate

---

[53] Chairman's Statement at the Third Meeting of the ARF, Jakarta, 23 July 1996, ASEAN Secretariat.
[54] Yahuda, *The International Politics of the Asia-Pacific, 1945-1995*, p. 275. See also Evans, "The Prospects for Multilateral Security Co-operation in the

membership of ARF. In the face of an over-populated regional body, the ARF, warned one scholar, would encounter the problems of formalisation and politicisation.[55] The former would cause an argument about deeper structural arrangements and the latter would make the forum less effective, or even just a "talking club." Under such circumstances, it will be very difficult for the ARF to proceed further, and the doubts raised about ASEAN's capability to lead on matters of regional security since ARF's inception would also be justified.

In acknowledgement of its structural weakness, the ARF could still be cited as being the basis for a comprehensive engagement. This is not to suggest that the ARF will not be an important security institution in enforcing future regional stability and security, but that it is unrealistic to envisage it providing a comprehensive regional framework in its infancy. Consequently, in order for the ARF to develop into an important regional mechanism, some practical approaches that would complement a more co-operative regional body might be necessary for it to cope with structural difficulty.

4. 3. 2 GREAT POWERS SUPPORT

A high level of Great Power support for an existing international system has been seen by many as an important element for maintaining international security, for Great Powers have a major stake in systemic stability. Through the development of an interlocking security framework, Great Powers have demonstrated their

Asia/Pacific Region," in Ball, ed., *The Transformation of Security in the Asia/Pacific Region*, p. 211.
[55] Sheldon W. Simon, "Security Prospects in Southeast Asia: Collaborative Efforts and the ASEAN Regional Forum," Paper presented for the 30th Anniversary of ASEAN, July 10-12, 1997, Mainz, Germany. pp. 17-21.

crucial influence on international order and regional security. But the key question is how to create Great Power consensus on critical security issues. Many of the trends and processes evident in Europe and Asia have signalled a change of state's behaviour, especially in the post-Cold War international system. Even the largest and most powerful states are nowadays being buffeted by strong gusts of interdependence and integration. They are driven by treaties and obligations or *de facto* arrangements that reveal that the buttress of sovereignty has been breached. Indeed, pushed less by public demand than by the sheer inability of individual states to address or resolve critical socioeconomic or political problems, the political leaders of Great Powers have set aside long-cherished notions of autonomous action and protectionism to join the international community and commit themselves to shared standards.

For realists, those who regard power as the core concept in understanding the international system have admitted that the concentration of the bipolar system evident during the Cold War period is no longer existent. In the Asia-Pacific region, the resulting diffusion of power reduces America's ability to go it alone as a hegemon among friends, particularly vis-à-vis Japan and China.[56] Alternatively, a decline of hegemony, as noted earlier, may provide both positive and negative effects for regional stability. For one thing, Great Powers may try to maintain their influence on regional politics by making an effort to redress regional imbalances through arms sales, technology transfers or more direct intervention. However, this could provide only short-term relief at great cost to long-term prospects for peace and stability. Another option for Great Powers is to facilitate regional co-operation

---

[56] William P. Bundy, "The 1950s versus the 1990s," in Edward K. Hamilton. ed., *America's Global Interests* (New York: Norton, 1989), pp. 62-63.

by participating in regional organisations, although this trend might lead towards regionalism.

As a multilateral security arrangement that involves the development of close co-operation among states while each maintains its sovereignty, the ARF, without doubt, needs Great Power support. To make this possible, three main actors have to be taken into account: the United States, Japan and the PRC.

4. 3. 2. 1 THE ROLE OF THE UNITED STATES

The US did not oppose directly any idea of setting up a multilateral security mechanism created by ASEAN in the region, but it had reservations. An unhappy experience with multilateral security arrangements in the past, SEATO for instance, had proved it to be a fruitless programme. Furthermore, some observers, Lau Tei Soon and Paul Dibb for example, doubt that there is any reason to establish a multilateral security architecture in the Asia-Pacific region, for American bilateral security frameworks already provide Japan, South Korea and Southeast Asian states with insurance. Even in a new era, there seems no direct threat to America and its allies in the Asia-Pacific region. The US has thus found itself in no position to seek to orchestrate larger coalitions to deal with a specific problem or issue in the region. Still, bilateral relations are viewed as a better option for maintaining regional security.[57] In this respect, the creation of an Asia-Pacific

---

[57] Lau Teik Soon, "Regional Security Developments and ASEAN Responses: A Singapore View," *Strategic Papers,* Vol. 4, No. 1, Jakarta, IISS, 1992, p. 7. See also Paul Dibb, *The Future of Australia's Relationship With The United States* (Sydney: The Australian Centre for American Studies, 1993), p. 55. Scalapino, "The US Commitment to Asia," in Ball, ed., *The Transformation of Security in the Asia/Pacific Region,* pp. 69-72.

economic institution for further trade liberalisation might appear a more alluring project for American policy.

At the same time, others, Robert Gilpin and Samuel Huntington for example, stress that because there is no immediate challenge to American security in the post-Cold War world, the US has changed its focus dramatically from one on military security to one on economic security. The implications for Asia in American economic interests, as the US Secretary of State Warren Christopher stated, represent "a primacy of opportunity" for American business.[58] This market-led reorientation of US policy towards Asia appeared to be an attempt to include itself into regional development. APEC, then, was regarded as an ideal venue to demonstrate the benefits of economic liberalisation, although it is highly controversial whether the initial purpose of APEC was to counter the protectionist tide or to form itself as a system of regional protectionism. But there is little question that the APEC tended to be inclusive rather than exclusive.[59] Getting involved in multilateral APEC, to a certain degree, did signal a change of US policy towards Asia. Yet the goals and implications of this strategic shift of American Asian policy are not clear.

One speculation is that the US might intend to use APEC as the principal vehicle for expanding economic, political and security links that would lead to regional stability. From the liberal institutionalist point of view, APEC, through economic interdependence between states, may be seen as a means to reduce potential conflict and contribute to regional peace. The US secretary of Defence, William

---

[58] *The Economist*, July 31, 1993, p. 13. See also in Robert Gilpin's "Economic Change and the Challenge of Uncertainty," Ross, ed., *East Asia in Transition: Toward a New Regional Order*, pp. 3-5. Huntington, "America's Changing Strategic Interests," pp. 3-11.

Perry, made a proposal to transform APEC into a security forum in 1995, the idea was quickly turned down by many APEC members due to its sensitivity, especially for the ASEAN states and China. Later, even the government of the US itself rejected the proposal.[60] And one major response to the formation of APEC from ASEAN states was the creation of EAEC. Clearly, the US has been acting to prevent the creation of an East Asian identity that is incompatible with its interests. Accordingly, the US has to play an active but realistic role consistent with its interests in dealing with Asian states by participating in multilateral institution-building, as in the ARF. At the same time, any attempts made by the US to impose agendas that are unacceptable to its Asian partners may lead to counteraction.

In fact, the US government, soon after the election of Bill Clinton to the US presidency, has been considerably enthusiastic about institution-building in Asia. Its attitude towards both multilateral institutions, APEC and ARF, has changed from obstructive to passive on multilateral security mechanism, and from passive to positive on regional economic co-operation. Indeed, American participation in the ARF implies the meaningfulness of such a multilateral security structure and has assured its potential in the Asia-Pacific region.

4. 3. 2. 2 A MILITARISED JAPAN?

Another potential Great Power in the Asia-Pacific region is Japan. Given that Japan's inert and passive security role in the region is based on its past behaviour that was determined by political structures—the US-imposed Peace Constitution.

---

[59] Higgott and Stubbs, "Competing Conceptions of Economic Regionalism: APEC versus EAEC in the Asia Pacific," p. 519.

168

Japan is a country with enormous potential, both economically and militarily. But it is unlikely that regional states will easily relinquish their suspicions about Japan's brutal past until it demonstrates a greater sense of political maturity. Even so, arguably, Japan's security strategy has been, and will be, dependent primarily upon the United States for a considerable time. The role America plays in Japan's security, as US commander Lieutenant General Henry Stackpole stated in Okinawa, is that of a "cap in the bottle."[61] In that case, Japan's self-help efforts would make no difference to security in the Asia-Pacific, and its Great Power status may be in question due to its limited influence to the region. However, Japan is pursuing a strategy of security autonomy, as its military expenditure has increased from US$ 14 billion in 1985 to US$ 25 billion in 1995, nearly three times more than China.[62] From the perspective of a traditional sense of power, Japan is indeed a Great Power. It could easily shift from a defensive military posture to an active power projection if the US security commitment is no longer reliable. Or, Japan could change its defence policy as a result of rising and aggressive nationalism. The problem with this option is that it might aggravate the existing distrust of regional states. However, Japan could answer the political demands of other international actors such as the US and ASEAN states in order to practice a balance of power scheme in the region.

Indeed, the Japanese are conscious of the need to play an active role on global as well as regional issues, and the US has been pushing Japan in this direction, particularly since the Gulf War in 1991. Nevertheless, both pillars of the US-Japan

[60] Yoichi Funabashi, "Bridging Asia's Economic-Security Gap," *Survival*, Vol. 38, No. 4 (Winter 1996-97), p. 106.
[61] *Daily Yomiuri*, 20 March 1990.
[62] Panitan Wattanayagorn and Desmond Ball, "A Regional Arms Race," in Ball, ed., *The Transformation of Security in the Asia/Pacific Region*, p. 157.

relationship, economic interdependence and security co-operation, have run into difficulty in recent years. On the one hand, in the face of an increasingly acrimonious demand on burden sharing for maintaining international peace and stability, the Japanese government has been increasing its financial support of US forces in Japan. In addition, although a sound US-Japan security alliance is described as an important prerequisite for regional stability, and the Clinton government has promised its continued military support, Japan cannot rely on an indefinite US security guarantee.[63] On the other hand, the fact that bilateral trade friction has become increasingly tense could also point to the potential for the gradual erosion of the bilateral alliance. Faced with this dilemma, the proper course for Japan seems to continue cautiously to prepare for new options.

Further, Japan has been trying to reshape the old framework of the Cold War system by showing an interest in global as well as regional issues. At the global level, Ichiro Ozawa, a former Secretary-General of Japan's ruling party (Liberal Democratic Party LDP) publicly stated that Japan would willingly shoulder greater international responsibilities, including a security role, and engage more fully in international co-operation on issues that affect the international community.[64] The issue of Japanese membership of the United Nations Security Council, for example, has been regarded as a translation of Japan's economic power into political influence on international society. Even China has been careful not to oppose openly Japanese aspirations for fear of undermining its largest trading

[63] Richard K. Betts, "Wealth, Power, and Conflict: East Asia after the Cold War," Ross, ed., *East Asia in Transition: Toward a New Regional Order*, pp. 34-38.
[64] Ichiro Ozawa, *Blueprint for a New Japan: The Rethinking of a Nation* (Tokyo: Kondansha International, 1994), pp. 94-95.

partner and largest donor of foreign aid.[65] However, *Wen Hui Bao*, the influential Shanghai newspaper commented that Japan was still unqualified to be a permanent member in UN Security Council, for it failed to win the confidence of its neighbours.[66]

At the regional level, as Japanese economic power in Asia has become evident and bilateral relations with the US have become more paradoxical, the call for Japan to pursue a strategy of returning to Asia is increasingly stronger. In the meantime, some regional states have expressed their willingness to co-operate with Japan on both the economic and military fronts. Thailand, Indonesia, Philippines and Singapore all suggested that Japan should not limit itself to economic affairs.[67] Malaysian Prime Minister Mahathir even urged Japan to become a leader in EAEC, which "is far better than every prime minister going around saying 'I am Sorry'".[68] All this is not to imply that Japan's past has been eliminated from historical memories.   However, as Singapore's former Prime Minister Lee Kuan Yew pointed out if history should continue to stand in the way of Japan becoming a Great Power in Asia, it was because the Japanese government had not done enough to clean historical memories. Japan should be frank to its history so that the past would not cast a shadow on the future. And Japan should catch up with the train of "Asian Community" and play a leading role.[69] In response to the new situation, the

---

[65] Gerald L. Curtis, "Sino-Japanese Relations Through Chinese Eyes," *Institute Reports*, New York: East Asian Institute, Columbia University, 1993, p. 47
[66] *Straits Times*, 10 October 1994.
[67] Kenneth B. Pyle, "Japan and the Future of Collective Security," in Danny Unger and Paul Blackburn, eds., *Japan's Emerging Global Role* (Boulder and London: Lynne Rienner Publishers, 1993), pp. 109-111. See also *The Economist*, 9 March 1991. *Japan Times*, 4 April 1991.
[68] Heng Pek Koon, "Mahathir Can't get Japan to say yes," *ISEAS Trends*, no. 58, Supplement in the *Business Times* (Singapore), 24-25 June 1995, p. 1.
[69] *Straits Times*, 1 January and 25 February 1995.

Japanese government has been very cautious because any ill-considered act could have caused serious side effects.

A step-by-step approach is practical and important. Morihiro Hosokawa, soon after becoming Japan Prime Minister, explicitly apologised for his country's responsibility for the Pacific War and brutal rule over Korea. Later, his successor Prime Minister Tomiichi Murayama made the same statement in his visit to Southeast Asian states.[70] Furthermore, Japan's involvement in the peacekeeping operations in Cambodia marked a dramatic departure from its previous policy. In many ways, this action has displayed a fulfilment of the idea of "comprehensive security." One of the most notable efforts the Japanese government made in the area of regional security was that it not only proposed an ASEAN-PMC with dialogue partners, which led to the establishment of the ARF, but it also became an important participant in the forum. The above-mentioned evidence suggests that Japan has been trying to play its role in regional security in line with its economic performance. The more it gets involved the more important it will be as time goes by.

4. 3. 2. 3 A RISING CHINA?

The last potential Great Power, but not the least, is the PRC (The Peoples Republic of China). In the post-Cold War era, the earlier US-USSR-PRC strategic triad, without doubt, has been replaced by an emergent US-Japan-PRC triad. Despite its statistical shortcomings, it is important not to exaggerate the PRC's potential threat judging from its past records in the region. More importantly, recent economic

growth and military expansion have made the PRC the centre of attention in the region. Yet, the PRC's role in the face of a growing multilateral security framework can be characterised as being cautious and passive at best, and sceptical and dismissive at worst. To some extent, the PRC's attitude towards regional security prefers bilateralism to multilateralism. This is partly because Chinese leaders attach priority more to the problem of territorial integrity than that of transnational co-operation, and even the growing interdependence in the region does not constrain its behaviour.[71] From the PRC perspective, the new international environment reflects an increasing emphasis on state sovereignty and non-interference in domestic affairs. " Any theory claiming sovereignty to be outdated is groundless,"[72] says one Chinese analyst. The sceptics, in regional states and in the US, focus on the more belligerent aspects of the PRC's behaviour on territorial issues. For example, the PRC's missile tests and military exercises carried out during the period of the presidential election in Taiwan in March 1996 were clearly sending a message that PRC's understanding of the post-Cold War world is one of realism.

Furthermore, the underlying factors that discourage the PRC from getting fully involved in a multilateral security framework could be identified as its concern that a multilateral security dialogue might be used, on the one hand, to invalidate its assertiveness about territorial sovereignty in the South China Sea and, on the other

---

[70] Mike M. Mochizuki, "Japan as an Asia-Pacific Power," Ross, ed., *East Asia in Transition: Toward a New Regional Order*, p. 124.
[71] Gerald Segal, "Constraintment of China," *International Security*, Vol. 20, No. 4 (Spring 1996), pp. 107-135. See also Segal's "China Changes Shape: Regionalism and Foreign Policy," *Adelphi Paper* No. 287 (London: Oxford University, IISS, 1994), pp. 54-64. David Shambaugh, "Growing Strong: China's Challenge to Asian Security," *Survival*, Vol. 36, No. 2 (Summer 1994), pp. 43-59.
[72] Quoted in David Armstrong, "Chinese Perspectives on the New World Order," *The Journal of East Asian Affairs*, Vol. 8, No. 2 (Summer/ Fall 1994), p. 471.

hand, to constrain its military buildup. The institutionalisation of security arrangements could also mean a need to partially cede state sovereignty. Another possible assumption that may prevent the PRC from embracing a multilateral security forum is that Beijing assumes that future US-Japan conflict would be the centrepiece of international relations in the Asia-Pacific region, and the PRC might therefore be in a position to play an arbitrating role between Tokyo and Washington.[73] In this regard, a multilateral architecture, in a sense, would minimise the PRC's importance in regional affairs.

If these above-mentioned assumptions hold, the PRC could be depicted as a major obstacle to the success of a multilateral regional security structure because of its unwillingness to follow the principles of multilateralism. The "Chinese threat theory", consequently, has been cited by those who have constantly stressed that the PRC must be contained in the international system.[74] However, a containment of the PRC could be potentially dangerous and might destabilise relative peace in the region, for a containment policy would accelerate, not dampen, the PRC's efforts to amass military and economic power. More importantly, formulating a containment policy requires regional states to co-operate and support. Sadly to say, there is no evidence among the regional states to show such willingness. In that case, perhaps a policy of tying the PRC into the international system may be more realistic because as Gerald Segal suggests, "the more PRC sees the benefits from

---

[73] "Post-Gulf War Strategic Pattern," *Beijing Review*, November 25-December 1, 1991, pp. 11-13. See also "Japan Seeks Greater Role in the World," *Beijing Review*, February 3-16, 1992, p. 10.
[74] *People's Daily*, 20 April 1993. See also in Shambaugh, "Growing Strong: China's Challenge to Asian Security," op., cit., p. 43.

174

genuinely multilateral diplomacy, the less paranoid it will feel about the world and the less paranoid the world will feel about it."[75]

In many circumstances, the PRC has not refused to accept any possible form of multilateral security structure in the region. Actually, it is a founding member of the ARF, and its attitude towards the multilateral framework in the Asia-Pacific region has undergone noticeable changes. This is in part because the PRC has gradually acknowledged the utility of multilateralism despite its hesitation about adopting an institutionalised mechanism immediately. From the PRC's perspective, a security mechanism like the ARF copied from an European-style CSCE, is not appropriate for the diversity of the Asia-Pacific region. A multi-channelled, multi-tierd dialogue that is both bilateral and multilateral, intergovernmental and nongovernmental is more practical for the region.[76] In other words, in the PRC's interpretation, existing bilateral problems in the region can only be solved within the bilateral framework of the countries concerned. The Regional security-building process should be based on bilateral dialogues, and should slowly move to sub-regional, then eventually region-wide, arrangements. Indeed, such a gradualist approach has been a vital element in the development of the PRC's policy, and it is also helpful in not allowing specific disputes, such as those over Taiwan and the South China Sea issues, to prevent it from pursuing national interests in a multilateral mechanism. More specifically, the PRC's

---

[75] Gerald Segal, "Tying China into the International System," *Survival*, Vol. 37, No. 2 (Summer 1995), pp. 60-73.

[76] China's Vice-Premier and Foreign Minister Chien Chichen, during the 1994 ARF's meeting in Bangkok, stated five principles, one of these was "promoting bilateral and multilateral security dialogues and consultations in various forms in order to enhance understanding and confidence." See *Beijing Review*, Vol. 37, No. 32 (8-14 August 1994), pp. 21-22. *People's Daily*, 24 March 1992. James C. Hsiung, "China's Omni-Directional Diplomacy: Realignment to Cope with Monopolar US Power," *Asian Survey*, Vol. XXXV, No. 6 (June 1995), pp. 573-86.

suspicion of current stands of ARF is because the principles, norms, and rules are still in the process of being discussed and suggested. In this respect, the PRC's involvement in the ARF will be more appealing simply because a routined process will enmesh the PRC in co-operative patterns of behaviour. In the meantime, if a deeper engagement with the PRC through the ARF has been ASEAN's purposeful design in maintaining regional stability, then the ARF could also be seen as a way to invite the US and Japan to join in.

Conclusion

This chapter has shown that despite neo-realism's inability to articulate the multilateral ARF phenomenon in the Asia-Pacific, it is still able to produce some explanations of international politics that are seen in the distribution of power in the ARF. View as a whole, these results mean that changes among powers are unlikely to make much difference and that only an enormous shift in this balance will lead regional powers to alter their international commitments significantly. In sum, on the positive side, the embryonic multilateral security framework in the Asia-Pacific region has been supported by the three most influential Great Powers in the region in spite of their different interpretations and expectations. The ARF could thus be regarded as a means of limiting the impact of Great Power influence in the region, on the one hand, and increasing manoeuvrability for the small states in the forum on the other. On the negative side, mainly from the PRC, to suggest that the PRC is less than forthcoming toward a multilateral regional security framework would only raise questions concerning the serious debate about international co-operation and the behaviour of Great Powers. A more significant

176

question is how the PRC is different from other Great Powers with regard to its interests in the multilateral security structure. Nevertheless, a setback for the PRC in the Taiwan Strait as a result of American military intervention in March 1996 has caused serious concern for regional states over the future prospects of the ARF. There is little doubt that the PRC's opposition could cripple a multilateral security undertaking in its early stage. In that sense, regional stability will be sorely tested by the PRC's assertiveness on the Taiwan issue, and this may possibly lead to hostilities between the US and the PRC. If so, a collapse of the ARF in its infancy cannot be ruled out. The next chapter will try to assess Taiwan's role in a regional context and how it interacts with its rival state.

CHAPTER 5

TAIWAN: THE MODEL OF A TRANSFORMED WORLD?

As suggested in the previous chapter, a multilateral ARF mechanism needs Great Powers support. Among them, the PRC has been recognised as a very important factor. But its policy towards ARF, to some extent, relies on its relations with Taiwan. In this regard, the central aspect of this chapter involves debates over the fundamental inquiry about Taiwan's sovereignty. The chapter will suggest an interpretation of Taiwan's theoretical legitimacy and international political reality. In addition, this chapter argues that a state's policy change according to its interest as well as its perception of security. It attempts to make these relationships clear and explicit.

Toward this end, the first section is structured to examine a theoretical understanding of Taiwan's status and its international standing. Unlike most Third World states, where the state fully controls time and presents formidable countervailing pressure against the state, in Taiwan, social, economic, and political forces provide important incentives for the regime to change and reform. Some major changes have greatly complicated Taipei-Beijing, Beijing-Washington, and Washington-Taipei relations.

For Taiwan, the world attention it caught in the 1996 crisis symbolised the island's political maturity and international vulnerabilities. Sadly, as a country with a gross national product of well over US$ 200 billion, a GNP per capita of US$ 13,000, the third largest foreign reserves (US$ 85 billion in 1998) in the world, the world's 13th largest trading economy, and a maturing democratic

system, its role in the international community has still remained ambiguous and uncertain.

The second section presents an interpretation of how systemic change underway in Taiwan and its relations with Beijing. The democratisation of Taiwan, its growing international economic importance, its more pragmatic foreign policy, its rapidly expanding contacts with mainland China, and a continued US support are major factors influencing Taiwan's security. However, no one accurately knows whether the growth of Taiwan's identity and the increasing self-determination of decision-making processes will eventually lead to a declaration of Taiwan's independence from China. The so-called Taiwan crisis in March 1996 can thus be interpreted on the one hand as a warning to Taiwan, and, on the other hand, as a declaration by Beijing that outside powers should refrain from intervening in China's internal affairs.[1]

Unfortunately, the myth of the PRC's declared "internal affairs" over the Taiwan issue was broken by the United States military interference in 1996. By sending two carrier battle groups to the Taiwan Strait, Washington committed itself, according to the TRA (Taiwan Relations Act), to a peaceful solution of the Taiwan issue. The implications of such a development suggest that the reunification of China could not be translated by Beijing into a simple formula—reunification of China by military means. It would be difficult for Beijing successfully to use force against Taiwan if Washington intervened on Taipei's behalf. The question is how long the US will continue its commitments

---

[1] The PRC's Prime Minister Li Peng made a speech to senior party officials on Chinese New Year on 18 February 1996. *People's Daily*, 20 February, 1996. See also *China Times* (Jong Kuo Shih Pao), February 21 1996.

to Taiwan according to the TRA? This will be discussed in the final section of this chapter.

5. 1 TAIWAN'S STATUS

5. 1. 1 A SOVEREIGN STATE?

Taiwan is known officially by the name of the Republic of China (ROC), with many common names such as Formosa ("beautiful island" in Portuguese), Nationalist China, Island China, the Republic of China on Taiwan (ROCOT), and Chinese Taipei. However, the PRC refers to it as Taiwan Province, or a province of China. Its political fortune, like its given names has fluctuated. On the one hand growing economic prosperity and political democratisation have given Taiwan confidence and resources to cope with its foreign relations on the one hand. On the other hand its achievements have also given rise to the freeing of the domestic debate about once-taboo fundamental questions of national identity. Some are thinking that the time may be ripe for it to present itself for what it has become—an independent and sovereign state, recognisable in international law. Others acknowledge that Taiwan is a part of China, and do not challenge the PRC's claims to Taiwan. Interestingly, over 60 per cent of Taiwanese people support the status quo of a separate and independent Taiwan, with the possibility of unification if both sides of the Taiwan Strait are at the same level of prosperity

and democracy.[2] The fact is that although there is a strong sense of Chinese nationality amongst the Taiwanese, there seems to be little demand for reunification with mainland China, at least under present circumstances. Apart from this, there is also some debate about whether Taiwan is an independent state, or as the PRC's claim, an inseparable part of China.

Traditionally, a state is seen as a human community that successfully claims its legitimacy within a given territory. Max Weber regarded the state as "the highest and ultimate thing in the world."[3] But critics argue that the traditional definition of state is purely in terms of its means rather than its ends. As one dictionary of politics defines it, "the state is arguably the most central concept in the study of politics and its definition is therefore the object of intense scholarly contestation."[4] Indeed, the state itself has long been the focus of argument and controversy. It is a complex and elusive term in politics. However, there is a general recognition that a sovereign state contains four interrelated elements: territory, population, legitimacy and force.[5] Because of space constraints, a detailed investigation of theoretical debate concerning the state is beyond the scope of this chapter. The emphasis here is a key points regarding the controversy of territory and sovereignty which is related to Taiwan's present status.

Two points are particularly worth noting. The first is that all concepts of territory are part of political beliefs and myths about the unity of a people, or "an

---

[2] Conducted by Gallop Poll and Public Opinion Poll Foundation, Quoted in *Central Daily News (Chung-Yang Jih Pao)*, 5 January 1995.
[3] Quoted in Gianfranco Poggi, *The Development of the Modern State*, 1978.
[4] Iain Mclean, ed., *Oxford : Concise Dictionary of Politics*, (Oxford: Oxford University Press, 1996), pp. 472-76.
[5] John Hall and John G. Ikenberry, *The State* (Milton Keynes: Open University Press, 1989), pp. 1-2. See also H. Gerth and Mills C. Wright, eds., *From Max to Weber* (London: Routledge, 1991), p. 78.

oral component" of sovereignty.[6] Territories, in the traditional sense, allude to the natural" unity within a limited space. They are linked to the most powerful form of ideological bonding in the modern states—nationalism. Such "imagined communities," in Benedict Anderson's term,[7] are now a universal phenomenon and usually have deep historical roots. Imagined communities can be created or transformed with remarkable rapidity during wars, revolution and political upheavals. In this sense, territories could become associated with historical images, symbols and traditions, and such territorial imaginations may transcend the confines of the state. Moreover, all territories have a psychological component", in Alistair Lamb's phrase.[8] Any threat to the imagined territories may provoke emotional reactions of anxiety or hostility and a prickly nationalistic response. According to Lamb, in the Third World, especially in Asia where many are still struggling in the process of state-building, territories have been seen by regimes and local nationalists as an important emotional and psychological component to unite disparate peoples.[9] It was, for example, not unusual when an independent India reacted emotionally and with incomprehension to the PRC's claims for territory on its northern frontiers in the 1950s.

However, all modern states, like traditional states, are confronted by those who do not accept the territorial identity ascribed to them. The more radical the dissenters, the less likely they are to see themselves as members of the nation" and subscribe to the dominant political culture in terms of which the state

---

[6] Anthony Giddens, *The Nation-State and Violence* (Cambridge: Polity Press, 1985), pp. 220-221.
[7] Benedict Anderson, *Imagined Communities: Reflexions on the Origin and Spread of Nationalism* (New York: Verso, Revised Edition, 1991), ch. 1.
[8] Alistair Lamb, *Asian Frontiers: Studies in a Continuing Problem* (London: Pall Mall Press, 1968), p. 8.
[9] Ibid.

identifies itself. Besides, states often disagree on boundaries and claim quasi-jurisdictional interests beyond these boundaries. Challenges thus come not just between territories but within territories as well. The more vigorously the state asserts its territorial integrity and identity, the more manifest is the challenge from within and without. Territory, in this sense, is not an entirely safe or definite guide,"[10] and the traditional concept that the sole, exclusive fount of all powers and prerogatives of rules"[11] of a state could be fully realised if its frontiers were made impermeable to unwanted influences is now also open to question.

For instance, attitudes towards territories in highly industrialised states, particularly in Europe, have undergone a dramatic change in recent years. Nine of the fifteen member states of the EU have already agreed to dismantle border controls between them. Border crossings by individuals and the transnational communication of information have transformed the psychological and practical importance of border controls. In addition, the incapacity of states, more precisely of governments, in the modern world to control much of the traffic of people, goods and information across their territories is changing the nature of states. The important implication of this conceptual change for territories is that they are not necessarily exclusive.

As for Taiwan, its development since 1949 has spoken against the PRC suggestion that Taiwan is an inseparable part of China. Taiwan was indeed the place of refuge of the Nationalist (Kuomintang KMT) government in 1949, after its defeat by the Chinese Communists. The Taiwanese government, under US protection, retained the objective of the reunification of China under its

---

[10] Ibid.
[11] Gianfranco Poggi, *The Development of Modern State* (London: Hutchinson, 1978), p. 92.

leadership, while the PRC consistently adopted the position that Taiwan was part of its territory. *De facto* and then *de jure*, the international community recognised them as two separate states. The economic and social development of the two countries diverged, with Taiwan participating fully in the dynamic economic growth of the Asia-Pacific region. Moreover, the democratisation of Taiwan has placed an additional barrier to the reunification of the two states. An assessment of the major ingredients of a state suggests that Taiwan is indeed a sovereign state.[12] Unless Beijing takes military action (which has proved inadmissible) or the US and other states change their policies, territorial reunification, under such circumstance, can now only be seen as a political myth.

Another important point is whether the idea of legitimacy indicates an absolute right to extend one's rule to those who have never been ruled. Legitimacy can be identified in hierarchical form, which implies the power which conforms to rules and involves consent from those subordinates. It is generally accepted that a state has to impose a force which rightfully commands the obedience of subjects and works for the good of all. This argument, however, evokes much unease. For using force against its own people for whatever the reasons violates social relationships by treating subjects as objects, and hence both the administrator and the victim of force are degraded. In other words, when force is applied, the people have become a mere object. It is argued that force itself, when the state uses it, destroys the relationship between the state and its people and undermines the legitimacy of the administrator and the society as well.[11] More importantly, if legitimacy is a necessary part of a state overall identity, then the self-

<hr>

[12] Michael Yahuda, "The International Standing of the Republic of China on Taiwan," *The China Quarterly*, No. 148 (December 1996), pp. 1319-1339.

determination of its part means to deny the state's right to enforce its commands. That is to say, the state is legitimate simply because it successfully claims its legitimacy. However, a state is no more legitimate when it fails to extend its identity.

From both the legitimacy and the jurisdiction points of view, it is quite clear that Taiwan has never been ruled by the mainland government, just as Taipei has never extended its legitimacy over the mainland. In that sense, Taiwan enjoys *de facto* independence because the PRC has never had the right to claim it. Taiwan is not "an integral part of China", any more than the United States is part of Britain. Moreover, Taiwan has a population of more than twenty million, a modern armed force, one of the fastest growing economies in the world, and a successful democratic system. If boundaries define identities,[14] as Malcolm Anderson claims, the logic of Taiwan's situation is that it is a *de jure* sovereign state within its own frontier and its own legitimacy, and one whose right to self-determination has never been yielded to mainland China.

On the other hand, if a decision about Taiwan's status were based on the traditional criteria of international legal forms, Taiwan would certainly be absolutely a sovereign state, for it has adequate territory, sufficient population, a ruling government of its own, and diplomatic ties. Although its diplomatic ties are weak, its territory is larger than many nation-states in the world today; its population is quite larger than average. More importantly, its government is more stable than most Third World countries and seeks to assume more international responsibilities. In short, Taiwan is easily qualified as an independent state from

[13] For a detailed discussion of the problem of legitimacy see John Hoffman, *Beyond the State* (Oxford: Polity Press, 1995), pp. 76-93.

a modern view point, especially in terms of the practice established by the United
Nations and the international law.

5. 1. 2 INTERNATIONAL FACTORS

So then, is Taiwan a Chinese island like Singapore? Or is it both independent
from China while nominally part of it? Or is it an undefined entity that is state-
like and non-state? The nub of these questions and uncertainties is in practice a
matter of politics rather than international law. The issue of recognition by other
states, insists one analyst, is decided basically by the consideration of interest
instead of legal principle.[15] Indeed, it is the international political reality that
Taiwan drifts towards a kind of ambiguity.

Given Taiwan's success in economics, political democracy, present level of ties
with the outside world, as well as its sovereignty viewed from any theoretical
perspective, its status in the international community still remains unclear. More
than 140 countries nowadays formally recognise the PRC as the legitimate
government of China and acknowledge that Taiwan is "a part of China", despite
the fact that Taiwan maintains official diplomatic relations with 30 countries,
mostly in Central America and Africa. Nevertheless, Taiwan is, in a sense,
recognised by most countries in the world as a separate independent political
entity. As a *de facto* sovereign state, the questions which constantly haunt the
Taiwanese people are: Why is Taiwan not, or cannot be formally accepted by the

---

[14] Malcolm Anderson, *Frontiers: Territory and State Formation in the Modern
World* (Oxford: Polity Press, 1996), pp. 4-5.
[15] See, for example, Hungdah Chiu, *The International Legal Status of the Republic
of China* (Baltimore, Maryland: Occasional Paper / Reprint Series in
Contemporary Asian Studies, revised edition, No. 5, 1995), pp. 3-7.

international community? Why cannot it express its identity through its relationships with others?

The questions are unlikely to be answered easily. Theoretically, there is only one China. Both sides of the Taiwan Strait agree that. But in reality there are two or at least one China, one Taiwan. The difference is that the majority part of China is ruled by the Chinese Communist Party (CCP); while a small part of China is governed by the KMT. Most countries in the world want to deal with both sides and hope that the issues between them can be solved peacefully. However, the contest for international recognition from both sides has never ceased since 1949 because Taiwan hopes for consideration and support for its right to choose, while the PRC claims that China's sovereignty resides in the PRC and has been relentless in its efforts to suppress Taiwan in the international community. Taiwan's position, for more than two decades since 1949, was to maintain the basic principle of a "one China" policy in the hope that China would one day be reunified by the Nationalist government. For Beijing, its position in the first twenty years after its establishment seemed more to be based on consolidating its regime than in pursuing a "one China" policy.

Taiwan's ability to implement such a policy be ascribed to various factors: the PRC's intervention in the Korean War and its condemnation by the UN as an aggressor; the strong opposition of the US to the recognition of Beijing and the inclination in many countries to follow the lead of the US; fears of PRC-instigated subversion by leaders in countries with large overseas Chinese minorities; and the PRC's activities during the Cultural Revolution (1966-77), which provoked anger

and suspicion in certain countries.[16] US support seemed to be the single most important factor for Taiwan to maintain that course. In fact, many countries would have established diplomatic ties with both the PRC and the ROC on Taiwan if they had not been forced to choose, but any arrangement that might have caused a suspicion of two Chinas" was immediately rejected by both Beijing and Taipei.

In the 1970s, two serious diplomatic setbacks faced Taiwan. The first was the loss of its UN seat, which was seen as its greatest asset in presenting itself internationally as a credible national government, rather than simply as a US surrogate. With its failure in the UN, Taiwan had to fight hard to preserve its representation in a number of other international organisations at a time when too many countries too easily deferred to Beijing's one China principle. Although Taiwan remained in the World Bank and the International Monetary Fund for several years after 1971, it was eventually forced out under the PRC's pressure. By the end of the 1970s, Taiwan remained active in a fairly large number but less significant and less political international bodies. Its diplomatic recognition dropped sharply from 68 to 26 countries, mostly small states in Latin America and the Caribbean.[17] In December 1978, another setback came when the US and the PRC suddenly announced the full normalisation of diplomatic relations. Although the shock was softened by actions taken by the US Congress, which enacted the Taiwan Relations Act (TRA) signed into the law in April 1979, Taiwan, without American assistance, became isolated from the international community. Yet,

---

[16] Ralph N. Clough, *Island China* (Cambridge: Harvard University Press, 1978), pp. 153-155.
[17] Ibid., p. 154. See also Simon Long, *Taiwan: China's Last Frontier* (London: Macmillan Press, 1991), pp. 129-130.

Taipei's non-official relations with other countries in the world, such as sports, cultural and economic ties, still remained volatile.

In the 1980s, as Taiwan experienced fast surges of economic growth on the back of soaring exports, the dislocation between its economic capacity and international status became acute and evident. The logic of this posture was clear. Since 1949, the KMT had consistently used the "anti-communism", the role legitimate government of China, and the recovery of mainland China myths as legal guidelines for its foreign policy. It was a rigidly ideological foreign policy that meant swallowing diplomatic pride and accepting a limited re-emergence on the international political stage as a player in its own right. In other words, Taiwan's isolation in the international community was largely erected by its own government's "one China" policy rather than by the international community itself. It was not until the late 1980s that the Taiwanese government was forced to accept new realities by adopting a more realistic foreign policy.

Since 1988, when Lee Teng-Hui succeeded as the President of the ROC on Taiwan, Taipei has embarked on a less ideological foreign policy—the so-called pragmatic or "flexible" diplomacy. This has meant that in order to break its stalemate in foreign relations, the KMT government has no longer insisted that it is the sole legitimate government of China and has subsequently renounced the use of force to recover the mainland China. This policy change was viewed by Beijing as a ploy covered by the "one China" flag but actually designed to secure the international recognition of Taiwan as a separate state.[18] In fact, pressures on the KMT government to make such a change were generated by various factors. On the one hand, domestically, political democratisation and growing discontent

---

[18] *Beijing Review*, 22 May 1989, p. 19.

with the one China" myth precipitated the political crisis of China identity". On the other hand, Taiwan's financial credentials made its government and people seek to be accepted as an economically important and effective political entity in the world. In the past, between the 1970s and the early 1980s, Taiwan's   public opinion had strongly supported economic growth by maintaining good relations with the developed Western countries which provided capital investments and markets for Taiwan's foreign trade even as Taiwan's global status declined. But rapid economic growth, the growing cosmopolitan nature of the country, and the democratisation of the political system markedly increased the pressure of public opinion on the formulation of some important foreign policy decisions. In the December 1989 elections, the opposition party politicians (Democratic Progressive Party DPP), who represented the opinion of a significant percentage of the island's inhabitants, won nearly half the seats in the Legislative Yuan. They openly expressed support for Taiwan independence, which caused great concerns for both the KMT government and Communist China. This outcome, helped to push the KMT government forward to test the international waters as to formal recognition and readmission to international institutions so that the existing government could be seen to be in line with the public opinion in Taiwan. Trade and economic relations were thus translated into potential diplomatic commitments and future support for Taiwan's sovereignty as circumstances greatly enhanced Taiwan's international economic influence when its diplomatic ties seemed to be tenuous.

Internationally, diplomatic isolation undermined the legitimacy of the existing government, and international recognition and acceptance enhanced its prospects for consolidation. As the world situation changed, Taiwan also adjusted its

foreign policy. The government and the people on Taiwan realised that time was not on their side in the struggle with Beijing for international recognition, and that their previous position was untenable, which implied that the one China" principle had to be revised. Taiwan's new approach was to move in several directions: developing official ties wherever possible, upgrading existing non-official relations, and actively participating in international organisations.[19] Taiwan became more flexible and sophisticated in the conduct of its foreign relations. The implication was that whatever the formally stated policy might be, in practice Taiwan was prepared to live with dual recognition or some suitable formula that suited the unspoken reality of two Chinas, or one China and one Taiwan. For one thing, in 1988, President Lee Teng-Hui visited Singapore as the President of Taiwan rather than the President of the Republic of China because, as he said on his return, it is unnecessary for us to care too much about the name."[20] Moreover, he took a series of new diplomatic initiatives: seeking dual recognition, applying for membership in the WTO, conducting unofficial state visits, and launching a bid for a seat in the UN General Assembly.[21] In July 1989, Grenada, one typical example, made history by establishing what was regarded as dual recognition". It established diplomatic relations with Taiwan without at the same time breaking formal ties with the PRC. But this situation lasted only few months.

Meanwhile, it is worth noting that although Taiwan constantly portrayed itself as a small state being bullied by the PRC in order to win prestige and sympathy in

---

[19] ROC Foreign Affairs Report, GIO (Government Information Office), 1993, p. 6.
[20] *United Daily* (Lian-Ho Pao), 21 March 1988. See also *Far Eastern Economic Review* 23 March 1988.
[21] Yun-han Chu, Fu Hu and Chung-in Moon, "South Korea and Taiwan: The International Context," in Larry Diamond, Marc F. Plattner, Yun-han Chu, and Hung-mao Tien, eds., *Consolidation the Third Wave Democracies: Regional*

the international community, it also decided to open its mainland China policy after four decades of separation in the hope that by transferring Taiwan successful economic experiences and political democratisation to mainland China, the PRC could be transformed peacefully.[22] Apart from this, Taipei took the one China but not now" and one China two governments" initiatives in response to Beijing's one China two systems" propaganda. In the face of an increasing demand for Taiwan's independence, Beijing reluctantly adopted a more peaceful way to reach reunification by calling on Taipei to place national interests first, to consider the time and trend, and behave itself."[23] The implication of Taipei-Beijing interaction suggested that policy change undertaken by one party through unilateral actions for its own interests might also lead to policy change on the part of the other party. But deep-rooted suspicions between the two sides made any concrete confidence-building measures extremely difficult.

In sum, Taiwan has been moderately successful in its effort to avoid being isolated from the international community. Most countries that want to deal with both Beijing and Taipei will have to continue to finesse the two relationships to avoid offending either, and so far they have managed remarkably well. It is also true that whatever the formal titles Taiwan might use in international venues, leaders of the PRC will never cease to reject any implicit recognition of Taiwan as an independent state. Even so, Taiwan's policy will still remain separate and independent. It will preserve the present ambiguity (status quo) on the questions of reunification and independence because the Taiwanese government does not

---

Challenges (Baltimore and London: the John Hopkings University Press, 1997), p. 274.
[22] Ramon Myers, "Transferring the Republic of China's Modernisation Experience to the People's Republic of China," in Klintworth, ed., *Taiwan in the Asia-Pacific in the 1990s*, pp. 169-94.

want to create a crisis with Beijing or problems for the United States and neighbouring countries. The key question is: how long can a modernised Taiwan endure such an ambiguity.

5. 1. 3 TAIWAN'S MODERNISATION AND ITS IMPLICATIONS

In his article entitled The Clash of Civilization?" and the *book The Third Wave*: *Democratisation in the Late Twentieth Century*, Samuel Huntington suggests that the peoples and governments of non-western civilizations, most significantly Taiwan and South Korea, are no longer objects of history, but have joined the West as fellow movers and shapers. However, he sees democracy as a result rather than a variable. That is, either democracy exists or it does not. It can not exist in degrees. He argues that Confucian and Islamic cultures are incompatible with democracy.[24] From his point of view, the prospects for democracy in countries cultivated by Confucian culture" are pessimistic. In other words, a country like Taiwan would never be considered democratic even with a democratic form of direct presidential election. Later, in his recent book *The Clash of Civilisations and the Remaking of World Order*, Huntington concludes that in East Asia , while Christian leaders promoted movement to democracy in South Korea and Taiwan. . . . By the 1990s, except for Cuba, democratic transitions had occurred in most of the countries, outside Africa, whose peoples

---

[23] *People's Daily* (Overseas edition), July 13, 1989.

[24] Samuel P. Huntington, "The Clash of Civilisations?" *Foreign Affairs*, Vol. 72 No. 2 (Summer 1993), pp. 22-49. See also in Huntington's "Religion and the Third Wave," *The National Interest*, Vol. 24 (Summer 1991), pp. 29-42; and Huntington's *The Third Wave: Democratisation in the late Twentieth Century* (Norman: University of Oklahoma, 1991), pp. 6-7.

espoused Western Christianity or where major Christian influences existed."[25] Apparently, Huntington has attributed political liberalisation in Taiwan and Korea to the promotion of "Christian leaders", rather than seeking it as an interaction between economic prosperity and the evolution of democracy. As far as Taiwan is concerned, Huntington's explanation seems unconvincing.

Taiwan's successful political transformation has attributed to many causes, but Christianity has not yet appeared to be significant. Taiwan's experience suggests that an authoritarian regime with a highly educated population can transform itself quite peacefully while its economic growth continues. Apart from this, "political liberalisation in Taiwan has become possible because of maturing socioeconomic preconditions, the ruling elite's responsive decision to undertake major reforms, and successful interplays between the ruling party and the oppositions that have averted full-scale violence,"[26] says Hung-mao Tien, a leading Taiwanese analyst. Democracy involves recognising both "difference" and the existence of common interests which enable people with different identities to change their places and share common principles. More broadly, because democracy is about individuals, it embraces localities, nations and regions and an increasingly interdependent international community in which the freedom of one individual can be sustained only by the freedom of all others. Hence democracy is international as well as national. In this regard, a democratic society in Taiwan could lead to the emergence of "Taiwanese identity" or "Taiwanisation" to use the common term.

---

[25] Samuel P. Huntington, *The Clash of Civilisations and the Remaking of World Order* (New York: Simon and Schuster, 1996), pp. 192-93.
[26] Hung-mao Tien, "Taiwan's Evolution Toward Democracy: A Historical Perspective", in Denis Fred Simon and Michael Y. M. Kau, eds., *Taiwan: Beyond the Economic Miracle* (New York: M. E. Sharp, 1992), p. 21.

Such separate identity based on liberal democratic values "has made the island the first Chinese democracy," according to some scholars.[27]

Equally important, economic modernisation plays a major role in many of the important social and political changes seen in Taiwan in recent years. A prevailing understanding in the study of political and economic development stresses that economic modernisation creates an irresistible pressure for liberal democratic political change. Authoritarian politics may provide the initial stability necessary for economic growth, but as fully developed modernity approaches it becomes increasingly redundant and reluctantly withers away.[28] Indeed, the legitimacy crisis in an authoritarian government could stem more from modernisation rather than repression. This is the fruits of the economic growth often run counter to the traditional values and beliefs of the people, on which many authoritarian regimes are based. Furthermore, economic modernisation could increasingly challenge regime stability by introducing new criteria of legitimacy and Western concepts of political participation. This is exactly the case in Taiwan and South Korea. However, some cases in Arabian and Asian states have demonstrated that authoritarian regimes might wage a war with other states so that their survival could be justified. Viewed in this way, Taiwan's experiences in political liberalisation without serious violence and economic

[27] L. Chao and R. Myers, "The First Chinese Democracy: Political Development of the Republic of China on Taiwan, 1986-1994," *Asian Survey*, Vol. XXXIV, No. 3, 1994, pp. 213-30.

[28] Larry Diamond, "Economic Development and Democracy Reconsidered," *Reexamining Democracy: Essays in Honor of Seymour Martin Lipset*, Gary Marks and Larry Diamond, eds. (Newbury Park, CA: Sage, 1992), pp. 93-139. See also Edward N. Muller, "Economic Determinants of Democracy," in Manus I. Midlarsky, ed., *Inequality, Democracy, and Economic Development* (Cambridge: Cambridge University Press, 1997) pp. 133-53.

disruption are highly significant for other developing states in the Asia-Pacific region.

Nevertheless, a democratic Taiwan certainly causes serious concerns for the PRC. A democratically elected president in Taiwan, in Beijing's view, is tantamount to sending a signal of Taiwan's independence. No one really knows whether Taiwanisation would be translated into independence. But a democratically elected president and the democratisation of the political system and decision-making process would greatly increase such a possibility. This is what the PRC fears most, and measures to highlight Beijing's intransigent position, under this situation, are necessary.

In this regard, democracy in Taiwan could be a double-edged sword. On the negative side, it could invite the PRC's strong reactions, possibly a military invasion. On the one hand, the democratisation of Taiwan would inevitably discredit the PRC's sovereignty claim over the island and nullify Beijing's peaceful unification campaign. Also, it might fuel PRC's nationalism and provide an excuse for ultra-nationalists to justify military activity toward the island. Meanwhile, it would set a bad example for Tibet, Sinkiang and Inner Mongolia, which have long been struggling for their independence, if Beijing took no action. On the other hand, Taiwan's political modernisation might cause internal upheavals and thereby limit its own capacity to mobilise against external aggression. Evidently, such a perceived threat to regime survival was experienced over the tensions in the Taiwan Strait in 1996. Despite the US willingness to safeguard the right of self-rule and democratic election in Taiwan, it is still unlikely that Washington would bear the responsibility of military confrontation with Beijing. That, in Washington's view, would destabilise the Asia-Pacific

region and lead to "a new Cold War" in which the US might well find itself isolated from its Asian and European allies.

From this perspective, democratisation in Taiwan has incurred an acute security dilemma not only for itself but also for all states that cherish it.[29] For Taiwan, democratisation has won an international reputation and moral support, but questions about its international status and cross-strait relations still remain unsolved. Nevertheless, there is little doubt that democracy has become an essential ingredient of Taiwan's national security as long as Beijing is prepared to use force to interrupt it.

5. 2 TAIWAN'S MAINLAND POLICY

Cheng-Yi Lin suggests that in the face of the primary threat to its survival from the PRC, Taiwan has several options to deal with mainland China: balance of power, collective security, and functional co-operation.[30] In terms of the balance of power, there exists an obvious gap in military capability between Taiwan and the PRC, which will be addressed later. Although some may see Taiwan's purchase of modern military equipments, such as F-16s and Mirages-2000, as a successful application of this strategy, most believe that Taiwan could not prevent the PRC from achieving military superiority in the long run. Moreover, there seems no formal and reliable military alliances to support Taiwan against mainland China. This also implies an impossible option for Taiwan to participate

---

[29] A detailed Taiwan's democratic security see Hung-mao Tien and Yun-han Chu, "Building Democracy in Taiwan," *The China Quarterly*, No. 148 (December 1996), pp. 1141-70.

[30] Cheng-Yi Lin, "Taiwan's Security Strategies in the Post-Cold War Era," *Issues and Studies*, Vol. 31, No. 4 (April 1995), pp. 87-97.

in collective security, for it needs the commitment of member states to come to the rescue in case of being invaded. In contrast to the balance of power and collective security, a functional approach starts from economic, cultural and social co-operation, through which natural spillover effects will extend to security related issues. More significantly, such an approach has also been used as a way of promoting the reunification of divided nations.[31] Accordingly, the following sections examine whether a functional approach really reflects on Taiwan's mainland policy.

5. 2. 1 ECONOMIC COMPLEMENTARITY

"To keep the status quo is simply a way to escape the reality for a temporary ease. It is tantamount to having no policy, giving up one initiative and drifting with the events."[32] Two Chinese scholars offered this critique of Taiwan's mainland policy in the mid-1980s. Indeed, it had long been clear that Taiwan's mainland policy was the product mostly of domestic political determinants, and in that sphere the situation seemed quite apparent. A small group of elderly hard-liners had taken power, and the only policy toward the mainland was "Three NOs"— no contact, no negotiation, and no compromise. The reforms were not merely impossible but sometimes dangerous, and political and economic rightism and repression were the orders of the day.

---

[31] Michael Haas, "The Functionalist Approach to Korean Reunification," in Michael Haas, ed., *Korean Reunification: Alternative Pathways* (New York: Praeger, 1989), pp. 37-38.
[32] Li Shengzhi and Zi Zhongyun. "Taiwan in the Next Decade", Paper prepared for Atlantic Council Conference on Taiwan, Washington, DC, March 1985, p. 17.

But the situation has changed rapidly since the late 1980s, and political democratisation amidst further economic development has proceeded at a fast pace. The result for long-term KMT government was, for the first time since 1949, uncertain. The breakthrough in relations with the mainland occurred in October 1987, when Taipei announced that visits to mainland relatives would be legalised.[33] Such a policy, approved by the people on Taiwan and welcomed by the PRC, radically changed the cross-strait relationship by opening the gateway to a flood of visitors from Taiwan to the mainland. To a certain extent, these visitors have constructed a network of economic interdependence between two sides. Both Taiwan and the PRC have recognised the advantages of this economic interaction. Although the KMT government continued to prohibit direct trade and investment between Taiwan and mainland, trade and investment proceeded in tandem through Hong Kong. According to Hong Kong's customs statistics, Taiwan-PRC trade via Hong Kong increased from US$ 1.22 billion in 1987 to US$ 8.69 billion in 1993.[34] (see Table 5.1) These figures, according to Kao Chang, an economist in Taipei, understated the actual amount of trade between the two sides. He believed that the real figure, if one included goods via Japan, South Korea, Singapore, and other countries, would amount to US$ 13.6 billion.[35] The rapid and steady increase in trade and investment between two sides reflected the complementarity of the two economies. In reality, Taiwan gained more economic benefit than the mainland.

---

[33] *Central Daily* (Jung Yung Zih Pao), 21 October 1987 and *United Daily*, October 21 and 23 1987.
[34] *China Post*, 12 March 1994. See also Charng Kao, "Economic Interdependence Between Taiwan and Mainland China," *Issues and Studies*, Vol. 29, No. 4 (April 1993), pp. 54-55.

From an international trade perspective, the growing dependence of Taiwan's trade on the mainland, or the so-called "mainland fever", is quite natural and irresistible trend. In the face of growing high wages and labour shortage in Taiwan, factories that produced such items as toys, footwear, umbrellas, clothing and cheap electronic products became less competitive in the global market. The mainland advantages of proximity, common language, similar customs, cheaper labour and land, and natural resources would certainly offer a great incentive for Taiwan businessmen to relocate their factories. Furthermore, the mainland itself also offers an enormous domestic market for the consumption of Taiwan products. The mainland has already become Taiwan's third largest economic partner (after the US and Japan), its second buyer (US$ 19 billion in 1996) and first investment destination (US$ 2.8 billion in 1995).[36] By the end of 1996, more than 3,000 companies and over 100,000 Taiwanese inhabited the mainland. Under such circumstances, Taiwan's economic policy makers could no longer ignore the significance of mainland China, and the calls for a policy change were strong.

Indeed, pressures to allow direct travel and trade between two sides have been increasing, particularly after Hong Kong returned to the PRC in 1997. Even within the KMT government itself, debates on the issue commenced. While recognising the economic advantages of investment and trade between Taiwan and the mainland, many government officials in Taiwan suspected the PRC's political motivations as the ultimate goal of reunification. For instance, the PRC's trade policy toward Taiwanese businessmen has been different from that towards

---

[35] Quoted in Philip Liu, "Mixed Diagnosis for Mainland Fever," *Free China Review*, Vol. 43, No. 9 (September 1993), p. 44. See also *China Post*, 27 January 1994.

other nationals. By setting up many special-purpose offices at various levels to deal with economic and other relations with Taiwan, Beijing has centralised its Taiwan policy even in business affairs.[37] Apart from this, Taipei has also feared that too large an economic investment and too heavy a dependence on exports to the mainland would give Beijing powerful economic leverage against Taiwan. As one Taiwan high-ranking official put it: "the PRC's policy is to absorb us economically, isolate us internationally, subvert us politically, and suppress us militarily."[38] Another possible side-effect caused by direct travel and trade would be smuggling and illegal entry into Taiwan, which could create serious social unrest on the island.

But one critic argues that if the government in Taiwan intended to turn itself into an Asia-Pacific financial and commercial operation centre, it would be unlikely to achieve this when its direct travel and trade to the mainland were officially banned.[39] Even the DPP party leader, Shu Shih-Lian, publicly urged the government of Taiwan to adopt a "Westward" strategy. He insisted that only through such a policy could Taiwan survive and become an inseparable partner of mainland China. By doing so, misperceptions and miscalculations could be

---

[36] *China News*, 3 February 1996, p. 10 and 17 February 1996, p. 9. See also Jean-Pierre Cabestan, "Taiwan's Mainland Policy: Normalisation, Yes; Reunification, Later," *The China Quarterly*, No. 148 (December 1996), p. 1272.
[37] Raymond J. M Chang and Pei-chen Chang, "Taiwan's Emerging Economic Relations with the PRC," in Denis Fred Simon and Michael Y. M. Kau, eds., *Taiwan: Beyond the Economic Miracle* (New York: M. *E. Sharp, 1992), pp. 291-94*
[38] Quoted in David Shambaugh, "Thinking the Unthinkable", *Free China Review*, Vol. 46, No. 3, (June 1996), p. 57.
[39] Philip Bowring, "Regional Role Re-evaluated," *Free China Review*, Vol. 46, No. 3 (March 1996), pp. 39-40.

minimised.[40] But the KMT government still remained cautious on its mainland policy.

Suffice it to say, Shu is right. It has long been clear that economic and trade links between Taiwan and the mainland in recent years have increased their interdependence and, to some degree, also reduced the hostility between the people on both sides. However, the fundamental difference between Taiwan and the PRC in their views of the status of Taiwan retards their interaction in their pursuit of an agreement on how to co-operate with each other. Moreover, there still exist too many other variables, and there is no good way to order them, weigh their comparative importance, and choose a most likely future. And reality in any case is always the product as much of surprises and unforeseen events as it is of the projection into the future of current trends. All that could be done is to spell out some of the prospects. And a progressive change in the PRC, of course, would be seen as one of the most important variables. Taiwan, expectantly, plays a major role.

5. 2. 2 POLITICAL IMPASSE

The multiplicity of contacts between the people on both sides inevitably posed problems that were difficult to resolve in the absence of direct and official communication between the two governments. The Mainland Affairs Council (MAC) was thus founded in Taipei in 1988 by the Executive Yuan to co-ordinate the various government agencies in charge of implementing mainland policy and to control the pace of exchanges across the Taiwan Strait. Under the National

---

[40] *China Times* (Jung gou shih pau) and *United Daily*, 14 and 15 February 1998.

Unification Guidelines (NUG) that were accepted by the cabinet, the Straits Exchange Foundation (SEF), a quasi-official institution, was established in Taipei in February 1991.[41] It was commissioned by the MAC to negotiate with PRC officials on matters related to the people on both sides of the Taiwan Strait. In the meantime, the PRC also established the Association for Relations Across the Taiwan Straits (ARATS) to serve as the SEF negotiating partner.

Although both the SEF and the ARATS were instructed to negotiate technical problems related to people-to-people relations and avoid political matters, the institutions found it very difficult, largely because of their basic disagreement on that issue of Taiwan's status. The ARATS insisted on the one China" principle, which meant that Taiwan was a province of the PRC, while the SEF rejected such a proposal. Consequently, it took these two bodies two years to reach agreement on the verification of documents notarised by the PRC.[42] However, such talks did at least provide a channel for communication. Compromise eventually made possible the signing agreements at the first meeting of the chairman of the SEF and ARATS, Koo Chen-fu and Wang Daohan, in Singapore in April 1993. Interestingly, both sides stressed their victory in the meeting with different interpretations. The PRC portrayed the meeting as a step toward unification, while the Taiwanese government emphasised it in terms of equality. The ROC Premier, now the vice president, Lien Chan, declared that the meeting was the

---

[41] The ROC government 's National Unification Guidelines proposed a three-stage process of national unification. The first stage was based on the principles of "exchanges and reciprocity." The second stage, or the mid-term objective, was based on the principles of "mutual trust and co-operation." The final stage, or the long-term objective, would be "consultation and unification." For a detailed discussion, see Ying-jeou Ma, "The Republic of China's Policy Toward the Chinese Mainland," *Issues and Studies*, Vol. 28, No. 2 (February 1992), pp. 1-10.
[42] Ralph Clough, *Reaching Across the Taiwan Strait: People-to-People Diplomacy* (Boulder: Westview Press, 1993), pp. 172-174.

political reality that "Taiwan and the mainland are two equal and separate political entities."[43] Even so, delegates from both sides still sought to bypass the impediment arising from Taiwan's judicial autonomy. Such *de facto* government-to-government contacts did achieve a number of results, and the institutionalisation of two agencies channel by such talks allowed a subsequent consensus in principle on the repatriation of hijackers, illegal immigrants, and fisheries disputes.

As noted above, the gap between Taipei and Beijing's discourses on the reunification of China has not been narrowed by growing people-to-people contacts. On the contrary, the democratisation of Taiwan's political system and the PRC's insisting on extending its sovereignty over Taiwan through the one country, two systems" arrangement actually widened this gap. For example, the two sides were unable to reach an agreement on the protection of Taiwan investments on the mainland because Taipei wanted Beijing to sign a bilateral investment accord and regard Taiwan as an equal political entity in relations with the mainland. In response to Taipei's request, Beijing issued a document entitled "The Taiwan Question and the Unification of China", in which the PRC government highlighted its position on four principles—only one China, coexistence of two systems, a high degree of autonomy, and peace negotiations.[44] This so-called PRC "White Paper" sounded a warning that the use of force might not be ruled out to achieve unification.

For Taipei, it made clear that there is no Taiwan question; there is only "China question," and thereby it released a document drafted by the MAC, namely

---

[43] *China Post*, 4 May 1993.

[44] *Beijing Review*, 6-12 September 1993, pp. I-VIII.

"relations across the Taiwan Strait" (Taihai lianan guanxi shuomingshu). The document states:

> The ROC government is firm in its advocacy of one China," and it is opposed to two Chinas" or one China, one Taiwan." But at the same time, given that the division of the country between two sides of the Taiwan Strait is a historical and political fact, the ROC government also holds that the two sides should be fully aware that each has jurisdiction over its respective territory and that they should coexist as two legal entities in the international arena. . . As democracy matures in Taiwan, public opinion will necessarily become the government most important reference for formulating mainland policy. [45]

Obviously, the ROC government had two fundamental interests: avoiding a military confrontation with the PRC, and maintaining the political support of the majority of the Taiwanese people. In other words, maintaining the status quo served these dual interests and objectives. In this regard, little progress was therefore made on both sides after early 1994, despite the fact that negotiators of the two sides managed to continue their discussions with a less formal agenda. As official talks between the two sides remained impossible because differences over definitions of Taiwan's sovereignty effectively blocked any substantial agreements, the reunification of China became a more complicated issue in political talks than in discussion of economic interdependence between the two governments.

In short, if the strong, mutually complementary economic relationship that led to an increase in interdependence between both Taiwan and the mainland could be seen as a positive sign of a peaceful unification in the future, then political talks on both sides shed a rather pessimistic light on their future. From the recent

history of divided states, a formal acknowledgement of the actual separation may be a necessary prelude to political unification, as seen in the examples of Germany and Korea. From mutual *de facto* recognition, *de jure* recognition, to cross recognition, several preliminary stages, for instance, could be characterised by amity or enmity. If states at least recognise each other's existence as states, then they may gradually come to appreciate the need for unification.[46] Nevertheless, in this case the result of the talks reflected the caution with which Taipei approached political contact with Beijing. The PRC, on the other hand, sought to expand contact with Taiwan to the official level as soon as possible. This coincided with the apparent interests of the two governments. The ROC government wanted to postpone reunification possibly until such time as the Chinese Communists Party could no longer dominate the mainland's political system, or as the PRC government could eventually accept Taiwan as an independent state. The PRC wanted to expedite reunification while it was still in a dominant position. Under such circumstances, the determining variable, in Beijing's view, would perhaps rely more on unilateral military activity than on bilateral talks.

---

[45] Mainland Affairs Council, Executive Yuan, Republic of China, *Relations Across the Taiwan Strait* (Taipei, 1994), p. 14.
[46] Germany has already completed its reunification, while Korea still remains divided. However, a treaty was signed between the two Koreas in 1991: Agreement on Reconciliation, Nonaggression, and Exchanges and Co-operation between the South and the North. See Helmut Schmidt, "Lessons of the German Reunification for Korea," *Security Dialogue*, Vol. 24, No. 44 (December 1993), pp. 397-408; Yang Sung-Chul, "The Lessons of United Germany for Divided Korea," in Young Whan Kihl, ed., *Korea and the World Beyond the Cold War* (Boulder, Co: Westview Press, 1994), pp. 261-278; Tae Hwan Ok, "The Process of South-North Dialogue and Perspective for Unification of Korea," *The Korea Journal of National Unification* (Seoul: Research Institute for National Unification, RINU), Vol. 1, 1992, pp. 85-106.

5. 2. 3 MILITARY DETERRENCE

War has long been regarded as the natural means to pursue national objectives, either in the sense that states actually fought wars to see who won and who lost, or in the sense that statesmen assessed their chances of prevailing in possible wars and acted accordingly. By implication, most states might therefore claim to be mistakenly divided" in the sense of having lost parts previously belonging to them. In this respect, territorial aggrandisement was also regarded as a perfect legitimate endeavour for states. But what had been seen as legitimate in the past is now regarded by the international community as unlawful and wrongful. The key questions are: such concepts are applicable to Taiwan's case, and how many countries would support Taiwan if the PRC launched a military invasion? Even though Beijing might not use force to speed up the reunification process, due to the steady integration of Taiwan and the mainland through economic and cultural links, the PRC is still seen by Taiwan as a major threat to its national security.[47]

From 1949 to 1997 Taiwan was attacked or coerced by the PRC on four occasions: in 1940, 1958, 1995 and 1996 respectively. Its defence policy, unlike its ambiguous international identity and status, seeks to protect national security from being threatened by the PRC.[48] Indeed, the PRC's intentions to use force against Taiwan are crucial determinants of ROC security. Although the PRC has been seeking cordial relations with the US, focusing on its domestic economic development, and lacking substantial military capabilities across the Taiwan Strait (probably the most powerful reasons for it not to use force against Taiwan), Beijing has never relinquished the possibility of using force to liberate" Taiwan,

---

[47] *ROC National Defence Report 1993-1994*, pp. 83-85.

and it has always been explicit about the conditions under which it might use force against Taiwan. These conditions include:

- If and when Taiwan declares itself independent"
- If and when an internal upheaval occurs on the island
- If and when the ROC Armed Forces on Taiwan are comparatively weak
- If and when any foreign power interferes in Taiwan's internal affairs
- If and when Taiwan protractedly refuses to talk with the PRC about the issue of unification
- If and when Taiwan develops nuclear weapons[49]

If the possible triggers for a PRC use of force against Taiwan, the most probable would be a clear indication from Taipei authorities that they intended to move toward *de jure* independence from mainland China," according to one view.[50] Indeed, a democratic Taiwan, as noted earlier, suggests such probability. Many analysts—William Perry, Anthony Lake and Joseph S. Nye for example—have argued that because the PRC has not yet had enough military capability to cross the Taiwan Strait, despite its verbal criticism, the likelihood of an invasion of Taiwan is remote. But they warn that it would still be regarded as dangerous to provoke mainland China by announcing Taiwan's independence and underestimating Beijing's reactions.[51] A different view, however, is expressed by Chiang Chung-lin, the ROC's Defence Minister. He pointed out that Beijing's

---

[48] Ibid.
[49] Ibid., pp. 86-87. See also Long's *Taiwan: China's Last Frontier*, pp. 239-43.
[50] Parris H. Chang and Martin L. Lasater, eds., *If China Crosses the Taiwan Strait: The International Response* (Lanham, MD: University Press of America, 1993), p. vii. See also Martin L. Lasater, "US-ROC-PRC Relations in an Era of Systemic Change", Paper presented at the 4th Tamkang University-University of Illinois Conference at Tamkang University, Taipei, Taiwan, 1992, pp. 39-58.

desire to "liberate" Taiwan is as strong as ever and foreigners know very little about this, their viewpoints are purely theoretical. In practice, if Beijing decides to take over Taiwan it would invade by any means not just traditional military aggression as foreign analysts could imagine."[52] ROC has the capability, Chiang stressed, to defend itself from the PRC's military strike.

In fact, Taiwan's answer to Beijing's threat to use military force is to purchase weapons wherever possible. Reacting to Taiwan's large military transactions with the Netherlands and France (frigates and fighters), the PRC took such strong retaliatory measures that both countries were forced either to forego new arms deals or to risk exclusion from the huge mainland market. Only the US is in a position to ignore Beijing's pressure effectively, and America therefore remains the only reliable arms supplier to Taiwan. However, a suggestion made by Chas W. Freeman, a former diplomat in Beijing, in *Foreign Affairs* argues that the way to prevent war in the Taiwan Strait is to restrain arms sale to Taiwan, for it may create an illusion for leaders of Taiwan's ruling and opposition parties that they could rely on US support, which would reduce their willingness to negotiate with its Beijing counterpart, and trigger an arms race in the region.[53]

Is it true that Taiwan's military strength is strong enough to deter the PRC's military threat? A comparison of military power between Beijing and Taipei reveals the PRC's overwhelming superiority in manpower; Taipei has one-eighth or less of the military manpower of Beijing. This disproportion applies to both the army and navy; the air forces of the two sides favour Beijing somewhat less.

---

[51] *China Post*, 17 January and 6 March 1998. See also *Washington Post*, 8 March 1998.
[52] *Central Daily News*, 7 March 1998.

Beijing has eight times the number of ships and aircraft and twenty to twenty-five times the number of submarines (see Table 5.2). In addition the PRC has nuclear weapons; Taipei does not. Taipei can match only in the quality of its weapons and the training of its military personnel.

But the situation is not so simple. Strong as the PRC's army is, there are some significant military limitations to its gaining superiority in the Taiwan Strait. These limitations include the short range of most PLA (People's Liberation Army) aircraft, the lack of amphibious vessels to carry heavy equipment and troops, the modernised defensive capabilities of the ROC armed forces, and, more importantly, the ever-present possibility of American military intervention.[54] For all these reasons, any use by the PRC of its military muscle against Taiwan in the near future remains unlikely, despite the PLA's attempting to overcome its weakness through a programme of rapid modernisation.

For all these reasons, when ballistic missiles fired from the PRC began landing near Taiwan in August 1995, it caused the Taipei stock market to plunge to a two-year low. Taiwan's huge foreign reserves had dropped from more than US$ 100 billion to US$ 85 billion due to the outflow of foreign currency since July 1995. Throughout East Asia newspapers were full of scenarios of a coming war between Taiwan and PRC. The missile tests in March 1996 caused another shock, and the Taipei stock market plummeted even further. Moreover, between 6 and 23 March all flights to Australia, New Zealand, the US, Canada and Europe were fully

---

[53] Chas W. Freeman, "Preventing War in the Taiwan Strait: Restraining Taiwan—and Beijing", *Foreign Affairs*, Vol. 77, No. 4 (July / August 1998), pp. 6-13.
[54] Jean-Pierre Cabestan, "The Cross-Strait Relationships in the Post Cold War Era: Neither Unification Nor "Win-Win" Game", *Issues and Studies*, Vol. 31. No. 1 (January 1995), pp. 41-44.

booked.[55] Questions of what if" remained prevalent in the island: if America had not sent two carrier battle groups, would the situation have escalated into a serious military clash with a highly unpredictable outcome? Would Taiwan stand still in the face of the PRC's threat?

In view of this, Taiwan's major problem lies not in its military strength but in its psychological and economic vulnerability. If ROC's national security derives mainly from its economic well-being and social and political stability, it is clear that the PRC's military intimidation by firing missiles did undermine the island's national security from a psychological as well as economic point of view. Apart from large-scale military operation, even the low-level warfare waged by the PRC against Taiwan, ranging from military harassment to blockade, could also be harmful to the island's economy in the long run.

Implications of the events of 1995-96 are thus evident. The most vulnerable part of ROC's national security lies not in its military sphere but in its economic vulnerability. Although a large-scale amphibious assault against Taiwan would be impossible for Beijing at the moment, the PRC might use whatever means necessary, either by firing missiles or taking military exercises, to force Taiwan to change its course whenever Taipei intended to move away from mainland China. Yet one primary factor to be considered by Beijing in its military activities against Taiwan would be the adverse reaction of the United States, because that could in effect damage American broad interests in East Asia and its commitment to Taiwan.

In short, the inherent weakness of a functional approach is its understatement of the political and security problems between Taiwan and mainland China.

" Willem Van Kemenade, *China, Hong, Taiwan, INC: The Dynamics of a New*

211

Basically, the major purpose of the functionalist approach is to minimise the concepts of sovereignty between states. But the approach seems unable to go further whenever it encounters the problem of politically related issues. The apparent disadvantage for Taiwan arising from the functionalist approach is that whenever Beijing tries to limit Taiwan's international standing in the name of sovereignty, Taipei becomes more resistant to developing economic relations with mainland China.

5. 3 TAIWAN AND THE UNITED STATES

What if democratisation continues in Taiwan, as most analysts expect, the Taiwan independence movement overpowers the KMT, and Beijing decides to fulfil its promise by using military means to prevent secession? Has the US government seriously tried to figure out what it should or would do in such circumstances? Is TRA (Taiwan Relations ACT) a genuine US security commitment to Taiwan? Washington has in fact made no clear commitment. It was not too hard for the US to fail to support Taiwan in the 1970s, when it was an authoritarian regime, but a democratic Taiwan would be harder to abandon to a repressive Beijing's "legitimate" sphere of influence. And it would seem difficult to justify a major war and the risk of nuclear escalation to defend the island. Apparently, pressures in both directions, defending Taiwan or standing aside, would be extreme, because the consequences either way could be catastrophic. Accordingly, the following sections will examine relations between ROC on Taiwan and the US from different perspectives.

Empire (London: Little, Brown and Company, 1998), pp. 134-35.

5. 3. 1 AN UNCERTAIN ALLY

"It is easier to be an American enemy than to be a friend," said Seng Chien-Hun, the last ROC ambassador to the US in 1978. Indeed, relations between Taiwan and the United States have never been easy, for all Taiwan's dependence on American support, both economic as well as military. Throughout its separated entity since 1949, Taiwan's existence remained all to the US. The reason that Taipei had to rely so much on American support was that otherwise the KMT government's very existence could not last long under the threat of Chinese Communist invasion in the 1950s. From Washington's perspective, US assistance to Taiwan was partly justified because its broader concern in East Asia was to compete with the Soviet Union in global influence and to prevent domination of the region by a single power, and partly because the US intended to consolidate the vital alliance with the regional states, Taiwan fortunately stood in the centre of such an alliance.[56] A high level of financial assistance to Taiwan over the next two decades after 1949 thus played an important role in the island's economic success and political stability. Unfortunately, the US influence was reflected in every aspect of Taiwanese life. Even Taiwan's cultural appearance became very "Americanised", as is reflected in the island's widely spoken American English.[57]

On the other hand, heavy dependence on the US did not mask a deep sentiment of American betrayal in Taiwan. In the late 1940s, the people on Taiwan felt let down when the US adopted a "hands-off" policy and issued the so-called "China

---

[56] For a detailed discussion of US interests in Taiwan see Clough, *Island China*, pp. 1-32.
[57] Long, op. cit., p. 131.

White Paper," in which the US government declared its decision not to get involved in the Civil conflict in China, thereby providing no military aid to Taiwan.[58] Again, in December 1978, the US government, when it no longer viewed Taiwan as a strategic base for potential use by the US forces against the PRC, suddenly switched its recognition from Taipei to Beijing by using the name "Taiwan" instead of "the Republic of China." These two unpleasant experiences to a large extent yielded the well-spring of anti-American resentment in Taiwan. But the KMT government and the people in Taiwan fully realised their need for US assistance. Even now, it is sadly true that only the US has the power and moral obligation to stop Beijing from bringing Taiwan into submission by force, while Taipei is pursuing its national goals, both seeking international recognition and maintaining a democratic system.

It is the Taiwan Relations Act (TRA), a Congressional draft legislation ratified by the US president to regulate future unofficial relations with Taiwan, that is in fact the product of strong Congressional support for Taipei, particularly with respect to the question of Taiwan's future.[59] In Martin L. Lasater's view, the United States is deeply involved in Taiwan's security because of the TRA. The document, although not perfectly clear, provides some basic principles as follows:

---

[58] Hungdah Chiu, *China and the Question of Taiwan* (New York: Praeger, 1973), pp. 217-220. See also the *US Department of State Bulletin*, January 16, 1950, p. 78-79.

[59] The TRA (Public Law 96-8, 10 April 1979) requires the US administration to "consider any effort to determine the future of Taiwan by other than peaceful means, including boycotts or embargoes, a threat to the peace and security of the Western Pacific area are of grave concern to the US." It also warrants the US government to "provide Taiwan with arms of a defensive character," and to "maintain the capacity of the US to resist any resort to force or other forms of coercion that would jeopardise the security, or the social or economic system, of the people on Taiwan." For a detailed discussion about how the TRA was enacted and how the US President and members of Congress interacted with each

- Washington is the principal external deterrent to a PRC use of force against Taiwan.

- The United States is the principle supplier of arms and defence technology to Taiwan.

- The US is Taiwan's most important trading partner and a key source of investment and civilian technology.

- Washington is Taipei's most important political ally in the international community.

- For its own interests, the US reinforces Beijing's policy of peaceful reunification.

- US efforts to maintain a favourable balance of power in East Asia usually works to Taipei's advantage.[60]

In general, the TRA is more a moral responsibility than a defence treaty to the US. However, the broad public support for Taiwan's security in the US Congress made it expedient for the US government to accommodate Taiwan's vital interests by selling defensive weapons to the island. Therefore, very little criticism was heard over the Bush administration's decision to sell 150 F-16s to Taiwan in 1992, despite the PRC's fierce objection. Another example was that two US aircraft carriers and their escorts were sent to the Taiwan Strait in 1996 to protect Taiwan from being threatened by the PRC's missile bombardment.

In fact, the US government had its own strategy for dealing with "two Chinas." Broadly speaking, the US has long been playing its role as a balancer in the Asia-

---

other, see Robert Downen, *The Taiwan Pawn in the China Game: Congress to Rescue* (Washington, D.C: CSIS, 1979), ch. I and II.
[60] Martin L. Lasater, *The Changing of the Guard: President Clinton and the Security of Taiwan* (Boulder: Westview Press, 1995), p. 166.

Pacific region by establishing alliances, selling arms, and building its military presence since the Cold War era. As noted in the previous section and chapter two, the major US interests in the region have been to prevent domination by any single power. After the collapse of the Soviet Union, the only possible challenge to US interests in the region would be China, even if the US wished to maintain good relations with the PRC. In this respect, selling F-16 fighters and dispatching two battle groups to Taiwan should not be seen simply as a realisation of commitment bonded by the TRA. Rather, it should be viewed "as part of American geopolitical strategy at a time of great sensitivity in East Asia, and an attempt to balance Taiwan's air force against the Chinese purchase of Su-27s from the Russians."[61] Or it could also be seen as an American attempt to win market share that might have been taken by other countries.

Clearly, Taiwan's future will be both special and relevant to US interests in the region. It is certainly possible that the US will continue to play such role to safeguard both Taiwan and itself. In that sense, it is also possible Taiwan's status will become the subject of an international agreement, involving Washington and Beijing. Nonetheless, there always exists the slight but ever-present danger of Taiwan being "sold-out" by the US, and the growing self-rule and furtherance of democracy in Taiwan has created an acute security dilemma not only for Taiwan itself but also for the US. At present it seems that Taiwan has been too close to the US for its own safety reason, and that shows no sign of diminution.

---

[61] Elizabeth Van Wie Davis, "An Island Alone: Taiwan and the Asian Arms Race," *the Journal of East Asian Affairs*, Vol. XI, No. 2 (Summer / Fall 1997), pp. 498-99. See also Gerald Segal, "The East Asian Balance after the F-16 Sale to Taiwan," Chinese Council of Advanced Policy Studies, Taipei, 1992, No. 3, pp. 3-4.

5. 3. 2 THE US DILEMMA

According to Andrew Yang the present US policy toward Taiwan is becoming outdated and dysfunctional in some instances, largely because "the US government failed to understand the real nature of Taiwan and ignored the fact that Taiwan has already become a truly democratic society, which means no one but its own people has the right to decide their destiny."[62] Yang further criticises the US's naivety about its "win-win-win" (US-PRC-ROC) strategy proposed by some former US government officials, including William Perry, Anthony Lake, Harry Harding, and Joseph S. Nye. These Clinton government's "salesmen", according to Yang, have tried to sell a three "Nos" policy— no support for Taiwan's independence; no support for two Chinas or one China, one Taiwan; and no support for Taiwan's participation in the United Nations and IGOs. The PRC would thus leave more room for Taiwan to join international organisations such as the Olympic movement and APEC in the name of Chinese Taipei.[63] The proposal seems to demonstrate that circumstances between both Taiwan and mainland China could go beyond the control of Washington, and perhaps beyond the control of Beijing and Taipei. The 1996 missiles crisis in the Taiwan Strait was an example of a clear underestimation by the US administration.

Logically, the most important interest for the US in the Taiwan Strait is to avoid military conflict, for any military clash would inevitably force Washington to make a choice, either risking a war with Beijing in honour of its long-term commitment to Taiwan or failing to resist Communist China's aggression. The

---

[62] *Central Daily News* (overseas), 4 March 1998.
[63] *Centr il Daily News* (overseas), 5 March 1998.

so-called "strategic ambiguity", according to Joseph S. Nye, has long been Washington's China policy. This policy suggests two basic points. On the one hand, the US government would not support any form of Taiwan independence, even if the DPP dominated the political system in Taiwan. This is because an independent Taiwan would incur a serious response from mainland China, and thereby jeopardising American interests and the regional stability. Even if it did happen, Taiwan would never change its international status without US support. On the other hand, the US government would strongly oppose any possible PRC military threat to Taiwan, for such an option would violate the principles of US-PRC diplomatic agreement.[64] In practice, this ambiguous US strategy has become more problematic in recent years.

First, as a sovereign state, Taiwan would never hesitate to test both the US and the PRC bottom lines. For example, the US government stumbled on a policy-making issue when it granted a visa for Lee Teng-Hui in 1995. Although Washington declared that it was merely a tourist visa for Lee's personal visit to his US alma mater, it was seen as a recognition of Taiwan's independence because Lee is the President of the Republic of China on Taiwan. In Beijing's interpretation, the US decision definitely violated the "one China" principle with the PRC. Thus there was no surprise at Beijing's retaliation in recalling its ambassadors, suspending high-level exchanges, and transferring missile technology to other states, such as Iran, North Korea and Pakistan. Moreover, in Beijing's argument, the US is in no position to require the PRC to abide by a non-

---

[64] *China Post* and *Central Daily News* (overseas), 10 January 1998.

proliferation agreement. Why should Beijing do so when Washington continues to sell arms to Taiwan?[65]

Another example was an effort made by the ROC government to restore its membership in the United Nations. In September 1993, the *Washington Post, New York Times* and other major US newspapers simultaneously issued an advertisement arguing that "this is the time for the UN to respect and protect the basic human rights and dignity of the 21 million people of the ROC on Taiwan. This is also the time for nations around the world to separate fiction from fact, rhetoric from reality."[66] In the meantime, two subcommittees of the US House of Representatives held a joint hearing to consider Taiwan's participation in the UN. the Chairman of the subcommittee, Tom Lantos, indicated that "Taiwan's exclusion from the UN cannot be justified in terms of international law as Taiwan more than meets the traditional criteria of statehood. Nor would granting Taiwan UN representation in any way prejudice the resolution of Taiwan's ultimate status."[67] These were no doubt that Taiwan's bid for UN membership remained unsuccessful due to the PRC's high position on the Security Council. But the declaration did reflect Taiwan's strong base of political support in the Congress and among the US public. And this has become the US government's major concern in its policy making.

Second, as a democratic society, Taiwan is less likely to become a bargaining chip between the US and the PRC. Nor would the Taiwanese people accept unreasonable US government's arrangements, including a renouncement of Taiwan's independence and its bid to join the UN. For the majority of Taiwanese

---

[65] *Beijing Review*, June 29-July 5, 1998, p. 9.
[66] *Washington Post*, September 21 and December 24, 1993, p. 15 and 16.

people, it is a ridiculous myth made by the US to regard a democratic Taiwan as "a part of Communist China."[68] The most dangerous scenario would begin with an upsurge of identity on the island, and a democratic process of decision-making in Taiwan could fuel such a possibility. From Taiwan's perspective, it cannot suspend decisiveness on the question of reunification and independence. The increasing popularity of the DPP on Taiwan, in this regard, could intensify relations with mainland China. It is certainly not in the US interest to become embroiled in a war over Taiwan, and both Washington and Beijing have sought to avoid such a confrontation since the Korean War. But too much negative US influence on Taiwan might trigger something unthinkable. For example, Taiwan's warning that it might, if necessary, develop nuclear weapons, according to Gerald Segal, was typically a response to its sense of insecurity in the face of the Clinton's "Three NOs" to Taiwan announced in Shanghai in July 1998.[69]

Third, one crucial determinant of Taiwan's security is the PRC's intention. It appears reasonable to expect that as long as Beijing maintains an open door policy toward the outside world, concentrates on its economic development, keeps good relations with the US, and, above all, retains the status quo in Taiwan, the PRC will not use force against Taiwan. All the above-mentioned conditions seem to fail to understand the PRC's real intention and high priority. It should be noted, as indicated earlier, that territorial integrity and the sovereignty of China are listed as the vital interests of the PRC government. Beijing may use force to "defend" its territory at any time, even at the price of its economic disadvantage, if its sovereignty is challenged. In Beijing's view, Taiwan's reunification with China is

---

[67] Lasater, *The Changing of the Guard: President Clinton and the Security of Taiwan* p. 144.
[68] *China Times* and *United Daily*, 3 and 5 March 1998, p. 2 and 3.

its top priority in the 1990s. Unfortunately it has been interrupted because of the American government's interference and obstruction in China's internal affairs.[70] Thus most of the blame for the continued division of China is caused by the US, and the US shall be held fully responsible for all the consequences. In that sense, the modernisation of the PLA, to some extent, is seen as an attempt to strengthen its capability for a military take-over Taiwan in the future, on the one hand, and to increase its bargaining power with the US on the other.

Indeed, the PRC has never pledged to anybody (including Washington) that it would not use military force against Taiwan, and no US government has ever articulated what concrete action it would take if Beijing did use force in the Taiwan Strait. Beijing might thus persistently but cautiously test the US bottom line. In theory, although the TRA sets the linkage between its security interests and the peaceful reunification of China, misperceptions and miscalculations, the major causes of war, are highly possible due to an ambiguous strategy that characterises the "China" issue, resulting in vastly different assessments of key issues such as the nature of the PRC threat to Taiwan and the likelihood of US assistance to Taiwan in case of war. In practice, as long as the US honours its commitment to Taiwan, as it did in 1996, and the PRC is not strong enough to challenge the US over Taiwan, it will be peaceful in the Taiwan Strait. Generally, when Washington-Beijing relations are strained, the US is more supportive of Taipei, but not to the point of disrupting US-PRC relations. When US-PRC relations are co-operative, Washington tends to be more circumspect in its dealings with Taipei, but not at the price of sacrificing Taiwan's security interest.

---

[69] *Asian Wall Street Journal*, August 3, 1998.
[70] See *Beijing Review*, 6-12 September 1993, pp. I-VIII.

221

In sum, Taiwan has a complex and contradictory security environment. The factors influencing Taiwan's security include a broad range of geographical, international, domestic, cross-Straits, as well as US-PRC-ROC interactions. An assessment of some of these factors suggests that the PRC threat may be minimal. Other factors suggest that the threat may be increasing. Overall, it appears that the present threat from the PRC is low but increasing. Taiwan will always require external assistance, especially from the US. But the difficulty Washington faces is that a balancing policy between Taipei and Beijing is becoming increasingly hard to manage and maintain.

CONCLUSION

In the international community, few "nations" are simultaneously pariahs and models, sovereign nation-states and provinces, and isolated outcasts and centres of attention. Few nations that have been or are at either extreme have changed so quickly. Few other countries in the world have been so much a part of the East-West struggle, the dynamic in the Asia-Pacific region, or a changing international politics as has Taiwan. Some argue that Taiwan is not qualified to be called a nation, but they can not suggest what it should be called. Some say its status could be resolved by dropping the name of the Republic of China and using the name of Taiwan or some variations. It would thus be a nation. But its legal and political identity problem would still persist. Most reckon that Taiwan is a nation because it qualifies or because there is no suitable alternative.[71]

---

[71] See, for example, Yahuda, "The International Standing of the Republic of China on Taiwan," pp. 1319-39; Clough, *Island China*, pp 135-55; Klintworth, *Taiwan in the Asia-Pacific in the 1990s*, pp. XII-XV.

It is clear that Taiwan will remain an anomaly. In its relationship with China, it is part of a divided nation. But that status is fading much faster than it is in the case of the two Germanies or the two Koreas. Taiwan seems most likely to remain separate from China, as has been the case since 1949. It will continue to be a unique political entity. It will be Taiwan as well as the Republic of China. It will be somewhat isolated diplomatically, yet decreasingly so, and it will be a global activist in trade and financial matters and will remain vast and increasing informal ties with other countries. It may remain a true international actor whose nation-state status is permanently unclear or weak or unique, but it will be a barometer reflecting the status of relations between Washington and Beijing. More importantly, Its struggle for survival will never cease.

The findings of this chapter are that international co-operation can be seen between adversaries, despite the fact that such co-operation is based on economic complemntarity. When states face no significant external threats, international co-operation becomes feasible, but when threats are perceptible, states change their policies. In other words, incentives are important causes for co-operation, but it is also incentives that make further co-operation virtually difficult. This is the case found in Taiwan-PRC mutual interactions. The next chapter will show the characteristic response in such circumstance and evaluate how functional co-operation between Taiwan and ASEAN may spill over from economic front to the political related area.

Table 5. 1
Trade between Taiwan and Mainland via Hong Kong　(in US$ million)

Year	Value (US$)	Growth rate %	As total Export %
1987	1.22	nil	2.30
1988	2.24	82.81	3.65
1989	2.89	29.18	4.38
1990	3.27	13.18	4.88
1991	4.69	42.74	6.14
1992	6.20	32.20	7.58
1993	8.69	43.38	9.17

Sources: The Customs Statistics Office of the Hong Kong Government: Taiwan Statistical Data Book (1994). See also Charng Kao, 　conomic Interdependence Between Taiwan and Mainland China," p. 54 (Table 1)

Table 5. 2

A Comparison of the Military Forces of the PRC and ROC 1995-96

	PRC	ROC (Taiwan)
Regular Forces	2,930,000	376,000
Defence Budget	7.48 (US$ billion)	9.55 (US$ billion)
Army (total)	2,200,000	240,000
Tanks	7,500+	570
Towed Artillery	14,500	1,070
Missiles	M 9 & M11	Nil
Air Force (total)	470,000	68,000
Combat Aircraft	5,000+	1000
Fighters	4,000+	890
Bombers	420	Nil
Navy (total)	260,000	68,000
Destroyers	18	22
Frigates	32	16
Sumarines	52	4
Amphibious Ships	21	54
Nuclear Forces	17 (ICBMs) 70 (IRBMs) 12 (SLBNs)	Nil

Sources: IISS *The Military Balance* 1995 / 96.

225

CHAPTER 6

INTERNATIONAL CO-OPERATION IN ACTION:

TAIWAN AND ASEAN

In this chapter, I examine a number of hypotheses about states' behaviour. When confronted by a significant external threat, states tend to balance by allying with others against the prevailing threat. My analysis supports the concept that states choosing their partners are highly conditional. Moreover, as outlined in chapter 5, if economic co-operation has a powerful impact on states choices, then it should wield considerable leverage over political-related sector, because partners will be reluctant to jeopardise the benefits of co-operation. However, states will also consider their political gains by balancing their policies.

The first section provides a theoretical analysis of Taiwan-ASEAN co-operation. In 1993, a "Southward Policy" aimed at diverting Taiwan's trade and investment flows from mainland China to the ASEAN region, necessary for spreading possible economic and political risks, was announced by Taipei. It reshaped the ROC government's strategic priority. By June 1995, Taiwan's investment in the ASEAN states and Vietnam reached US$ 25 billion, almost keeping up with its estimated total investment in mainland China. If Taiwan's foreign policy is economically led, as discussed in the previous chapter, we need to consider the political and strategic implications behind its pursuit. More importantly, as chapter 5 has demonstrated, while a functionalist approach may be applied successfully to the initial stage of co-operation between Taiwan and the PRC, it is less useful when the problem of sovereignty is encountered. Thus, we need to consider: what is the

major difference between Taiwan-PRC and Taiwan-ASEAN co-operation from the perspective of functionalism?

The second section examines the PRC's impact on Taiwan-ASEAN relationships. None of the ASEAN member states has formal diplomatic relations with Taipei, but they are all aware of Taiwan's explicit intention to mix its economic impulse with political manoeuvrability. How, then do the ASEAN states directly affected by this policy respond to it? In their view, the PRC's increasing assertiveness in the region can not be ignored. But the issue then arises as to how ASEAN can maintain a balance between the economic benefits it receives from Taiwan and its security concerns with the PRC?

As the Asian economic crisis is far from over, the final section of this chapter will locate Taiwan-ASEAN co-operation in a wider regional context and see how their co-operation may provide positive effects on regional economic growth.

6. 1 A FRAMEWORK FOR ANALYSIS

6. 1. 1 ECONOMIC CO-OPERATION

As demonstrated in this thesis, there are a number of concepts in international relations theory relevant to the issue of co-operation. From a realist perspective, economic strength is viewed as an instrument of political power, and states worry that co-operation may lead to increased vulnerability. Even for states deeply involved in economic interdependence with others, economic issues will never take precedence over security issues because states must always be primarily concerned with their survival. Only the most primitive kinds of warfare are altogether

227

independent of the economic factor. Liberals, on the contrary, take a different view by arguing that states tend to co-operate with others for mutual enrichment. Economic co-operation, in their view, can emerge among egoists under conditions of interdependence.[1]   Some, functionalists, for instance, even argue that the significance of economic co-operation can spill over to the political realm, and thus common and shared political values may inhibit states from using force against each other. Although economic disputes may be possible, they are more likely to be a response, than cause, a breakdown in relations leading to hostilities.[2]

Viewed in this way, economic co-operation can be seen both as a process and a result. The question whether economic co-operation will become a path leading towards economic integration is beyond the scope of this chapter, but it is noteworthy that economic co-operation requires a high degree of government coordination of the rules and organisations managing economic exchanges and activities. This is not to suggest that the dynamics of co-operation are fostering a decline of in-group cohesion.   The impulse to elevate self-interest" is probably as common as ever. However, as indicated in chapters 1-4, the focus of the impulse is undergoing change. The peremptory declaration that this is strictly an internal affair" no longer holds in modern international relations. Officials of one state can openly talk of bringing about alterations in the regime of another, and the articulation of such aspirations no longer invariably provokes complaints about the violation of sovereignty.

---

[1] For a detailed discussion of cooperation between realists and liberals in chapter 1.4.

[2] Krasner, "The Accomplishments of International Political Economy," Smith, Booth and Zalewski., eds., *International Theory: Positivism and Beyond*, pp. 111-113.

Broadly speaking, in the Asia-Pacific region, economic co-operation has been discussed predominantly as a process instead of a result. The main purpose of states in the region is to encourage a more benign and stable political environment by increasing economic co-operation. However, security concerns are still crucial in their national agenda. The establishment of APEC and increasing economic co-operation in various subregional contexts, Northeast and Southeast Asia for example, has a positive effect on the dilution of political conflict. It seems fair to say that economic co-operation in this region is still in its early stage, and it inevitably takes time to mature.

Regarding the relationships between Taiwan and ASEAN, the motivations for mutual economic co-operation are many—some economic and some political. Although economic co-operation is a two-way track between buyers and sellers, trade links between Taiwan and ASEAN were viewed as a monopolistic feature at the initial stage because the government in Taiwan took the initiative and became the dominant actor. The "Southward Policy" issued in 1993 highlighted two major purposes. First, Taiwan had to diversify its overseas markets and reduce investment away from excessive concentration on mainland China, and this might cause the Taiwanese government to lose advantage in cross-Straits negotiations. Second, ASEAN states possess huge workforces and abundant resources that Taiwan lacks. If Taiwan could help these countries to develop their economies, it would also profit in terms of both increasing exports and improving relations, which in turn could strengthen Taiwan's national security and promote its international profile.[1] In other words, the "Southward policy" was primarily an

---

[1] P. K. Chiang, *A Report on Southward Policy* (in Chinese), a report made by the Minister of Economic Affairs at the Economic Committee of the Legislative Yuan,

economic policy, but implications were primary political and strategic. If Taiwan moves were built on strong economic incentives, it is understandable that its policy-making was also driven by economic considerations. In this regard, economic co-operation with Southeast Asian states was seen as no less important than trade with the US, Europe or Japan.

Apart from motivations, institution-building, in which governments play a major role, is also of vital important here. In order to facilitate economic co-operation with ASEAN states (including Vietnam), Taiwan's government-financed Overseas Economic Co-operation Fund (OECF) was set up to support private business and to promote trade and investment in the region. In addition, Economic Co-operation Centres (ECCs) were founded in such major cities as Kuala Lumpur, Bangkok, Manila, Bandung, Penang and Ho Chi Min City to deal with mutual economic co-operation. For example, by December 1995, a low interest loan of US$ 60 million through the OECF was signed by the Philippines to improve Subic Bay infrastructure. The OECF also provided US$ 45 million to help Vietnam improve its business infrastructure.[4]

For ASEAN, Taiwan "Southward Policy" was welcome because most of the member states needed foreign investment and technical expertise, and Taiwan's economic achievements also acted as a model for their own development. In order to attract Taiwan's investment, the governments of Indonesia, Malaysia, Thailand and the Philippines allowed Taiwanese companies to have 100 per cent equity ownership. The Philippine government even offered Taiwan some of its textile and

---

27 December, 1993. See in *China Post* and *Central Daily News*, 28 December 1993. Also in *United Daily* (Lian He Bao), 18 February 1994.
[4] Hsueh, op., cit, pp. 28-30. See also in Xianming Chen, "Taiwan Investment in China and Southeast Asia," *Asian Survey*, Vol. XXXVI, No. 5 (May 1996), p. 463.

garment quotas for exports to the US.[5] More recently, Indonesia has granted two

major investments for Taiwan in Medan, east of Sumatra, and Batam Island, 20

miles offshore from Singapore. By the end of 1999, with these two projects in

operation, Taiwan will become the second largest foreign investor in Indonesia.

Indeed, Taiwan has become one of the major investors in the region, and is already

the top investor in both Malaysia and Vietnam. Trade between Taiwan and

ASEAN nearly doubled from 1989 to 1995. The geographic proximity and the

complementary nature of Taiwan and ASEAN have encouraged the progress of

mutual economic co-operation.

Gains from co-operative action could also be warranted on the grounds that co-

operation creates a framework or environment of rules and understandings about

the conduct of economic interchange. Thus, an effective economic co-operation

policy by one state to cooperate with others can usually lead to positive economic

feedback. If co-operation implies a two-way sensitivity and mutual profits, then an

examination of the case of Taiwan and ASEAN economic co-operation shows that

the benefits are apparently greater if co-operation could be interpreted broadly.

In contrast to a traditional concept, in which economic strength merely serves

the purpose of political intention and links to an aggrandisement of territory,

international economic co-operation could mean an important source of wealth,

and economic strength could also be seen as a valuable contribution added to

peace. Taiwan's rapid domestic economic growth does indeed have a profound

effect on both the relative priority of domestic and foreign goals and on the

substance of each. But economic growth offers only a partial explanation of the

---

[5] Chen Hurng-Yu, "Taiwan's Economic Relations With Southeast Asia," in Gary
Klintworth, ed., *Taiwan in the Asia-Pacific in the 1990s*, pp. 121-133. See also
Xianning Chen, "Taiwan Investment in China and Southeast Asia," pp. 453-56.

231

transformation of foreign policy goals. It is economic strength that leads Taiwan towards the pole of co-operation rather than the pole of conflict. More importantly, networking and learning the habit of co-operation "getting to know one another" have become important characteristics of Taiwan-ASEAN co-operation. In this sense, economic prosperity does not stimulate the use of force as traditional research suggests; rather it can facilitate international co-operation and promote international security in the broadest sense of the term."[6]

On the other hand, it is important to point out that economic co-operation with others could also enhance one's own security. In theory, Taiwan "Southward Strategy" could help to minimise a possible threat from Beijing (a detailed discussion is presented in 5.2). By globalising its business relations with ASEAN states and proceeding with incorporation into the capitalist world, Taiwan could better protect itself from Beijing's economic sanctions. In this respect, economic co-operation with ASEAN would contribute to Taiwan's effort to reduce the risks of putting all its eggs in a basket. In practice, Taipei's effort to spread risks has encountered some problems. The primary argument against the "Southward strategy" was that some barriers such as those of culture, religion and language, made it more difficult for Taiwan businessmen to invest in Southeast Asia than in mainland China. Moreover, a majority of small and medium-sized companies would find it difficult to split their limited capital between mainland China and

---

[6] Robert Gilpin, "The Economic Dimension of International Security," in Henry Bienen, ed., *Power, Economics and Security: The United States and Japan in Focus* (Boulder Co: Westview, 1992), p. 51. See also Barry Buzan, "Economic Structure and International Security: The Limits of the Liberal Case," *International Organisation,* Vol. 38, No. 4 (Autumn 1984), pp. 597-624.

Southeast Asia.[7] A survey conducted by Ministry of Economic Affairs in 1994 revealed that 48 per cent of Taiwanese companies intended to invest in mainland China in the next five years, compared with 21 per cent planning to invest in Southeast Asian states.[8] Indeed, mainland China is too large a market to be ignored. Such a development suggests that although governments play a crucial role in forming economic policy, individual trading units can also be influential in transnational economic co-operation. Government influence tends to be more on domestic front than in the international arena.

In brief, the question whether economic co-operation between Taiwan and ASEAN states will move towards full economic integration, as most observers used to cite in a European world of "co-operation",[9] is not an important question for this thesis. Nor is it an important question whether or not co-operation will pave the way for achieving strong institutions. What is important is whether economic co-operation could spill over to the politically related sphere, which in turn would enhance participants' security. In view of this, transferring Taiwan's modernisation experiences to ASEAN states by way of economic co-operation can also be seen as a possibility.

6. 1. 2 DEMOCRATIC PEACE: A SHARED VALUE?

Scholars and practitioners in international politics now advocate a broadening of the field of security studies in two directions, encompassing non-military issues

---

[7] Raymond J. M. Chang and Pei-Chen Chang, "Taiwan's Emerging Economic Relations with the PRC," in Simon and Kau, eds., *Taiwan: Beyond the Economic Miracle*, pp. 278-79.
[8] Quoted in Xianming Chen, "Taiwan Investment in China and Southeast Asia," p. 460.

and non-states actors.[10] It is widely accepted that the economic aspect of security has now been more effectively integrated into security structures and policy-making. Moreover, security studies should also concentrate on broader issues such as the domestic, cultural, societal, psychological, and environmental dimensions of security. Security studies should not be narrowly restricted to states and questions of military security only, neither should it be broadened so much that it comes to encompass all issues relating directly or indirectly to the violence between individuals and collectivities," argues Peter J. Katzenstein. He also stresses that broader security studies can add to the traditional analysis of national security if the issues and actors that it studies have some demonstrable links to states and questions of military importance."[11] In many ways, security studies is still conditioned by the linkage of military security or military importance to the state. However, if security is defined as the "duality or state of being secure," freedom from danger," "freedom from fear or anxiety,"[12] then the major character of security seems to imply a relative freedom from violence. Even so, such definitions are still murky and difficult to measure. It is not the aim of this section to discuss different explanations of security. The main concern is to take a broadly inclusive approach. More specifically, it is to link economic factors with political security and explain how they mutually reinforce each other in a wider context of security. That is, "lesson drawing", a modelling of Taiwan, may encourage

---

[9] Ibid.

[10] See, for example, Lipson, "International Cooperation in Economic and Security Affairs," in Baldwin, ed., *Neorealism and Neoliberalism: The Contemporary Debate*, pp. 60-61; Buzan, *People, States and Fear: An Agenda for International Security Studies in the Post-Cold War Era*, ch. 1 & 2.

[11] "Conclusion: National Security in a Changing World," in Peter J. Katzenstein, ed., *The Culture of National Security: Norms and Identity in World Politics* (New York: Columbia University Press, 1996), p. 525.

234

ASEAN states to make a political transformation. By encouraging ASEAN states to change from authoritarian politics to a democratic system, regional security could be better enhanced.[13] The current economic crisis, as Paul Dibb, David D. Hale and Peter Prince argue, is Asian political nature, not only in terms of its effects, but also its causes."[14] This seems especially true for those authoritarian politics which depend for their legitimacy on economic growth rather than democratic approval.

Indeed, authoritarian regimes suffer three profound and inherent weaknesses. First, in authoritarian politics, the policy-making process is generally vague and highlights the self-interest of a few political leaders. They tend to integrate the regime's survival into the survival of the state. In this respect, corruption, nepotism and cronyism have all become deeply ingrained in the system established by the political leaders to guide the country. Nevertheless, this is not to suggest that all authoritarian governments have the same problems. A somewhat different situation obtains in Singapore, which has an effective government and has also achieved a high rate of economic growth. More importantly, its government is widely supported by the people because of the lack of corruption in the political system. Even so, there is little doubt that in such a system severe social inequalities are inevitable and are intolerable to political opposition.

Second, authoritarian politics lacks any feedback mechanism and tends to ignore emerging disasters. As noted above, authoritarian governments tend to cover their

---

[12] See, for example, Webster's Ninth New Collegiate Dictionary (Springfield, Mass: Merriam-Webster, 1988), p. 1062.
[13] Traditionally, an authoritarian system refers to a style of government in which the rulers demand unquestioning obedience from the ruled. In such a system, the rulers would brutally repress their political opponents, but they might leave a larger sphere for private life. See *Oxford Concise Dictionary of Politics*, p. 26.

interests in the name of national interests and are concerned more about their existence or re-election than any oncoming crisis. It is generally accepted that a period of rapid economic growth will be followed by an economic down-turn. Unlike the democratic system, in which such a short period of reversal could be seen a normal economic cycle, an authoritarian system, however, could face a serious challenge from its people, because a set-back in prosperity after a period of rapidly rising economic growth would bring frustrations and demands for revolutionary change. Revolutions are most likely to occur [in authoritarian politics] when a prolonged period of objective economic and social development is followed by a short period of sharp reversal,"[15] contends one analyst. There is certainly a possibility that such developments would push authoritarian governments in the direction of democracy. Although it is far from clear whether such developments would have a democratic outcome in the ASEAN region, authoritarian rule has coincided with the recent economic crisis and social uprisings have revealed regime's vulnerability. In this respect, it is a sad testament to the nature of authoritarian rule in Indonesia that the country must once again be brought to the brink of anarchy before leadership can be transferred.

Third, the assumption that authoritarian politics may produce economic wealth as well as general well-being is highly contentious. There is little doubt that authoritarian governments are more effective than democratic governments in terms of the mobilisation and distribution of national resources. In a relatively short period, economic wealth can be swiftly accumulated and general well-being

---

[14] Paul Dibb, David D. Hale and Peter Prince, "The Strategic Implications of Asia's Econoic Crisis," *Survival*, Vol. 40, No. 2 (Summer 1998), p. 6.
[15] J. C. Davies, "Toward a theory of Revolution," in D. H. Wrong and H. L. Gracey, eds., *Reading in Introductory Sociology* (London: Collier-Macmillan 2nd ed, 1972), pp. 136-7.

increases. However, rapid growth concentrates material gains in relatively few hands as prices increase faster than wages, and these are no welfare arrangements to compensate for economic hardship. A minority may make absolute gains from economic growth, but the majority find that their relative position has deteriorated. Therefore, an authoritarian government may have the ability to impose its decisions and may be relatively effective in the early stage of modernisation. But, in the long run, it is questionable whether the government is able to use its authority to consult and to elicit co-operative responses from the private sector. This is not the sort of power over society that one associates with authoritarian government. It is the power *through* society, which is much more potent in developmental terms.

However, a transformation from an authoritarian system to political democracy is by no means simple, particularly in the ASEAN region. In many situations, ASEAN leaders—Lee Kuan Yew, Mahathir Mohammed and Suharto, for example—have repeatedly reminded their international and domestic audiences that ASEAN must resist pressures for Western-style democracy because what ASEAN people need is not a democratic government, but a government that can provide economic well-being, political stability, social order, communal harmony, and efficient administration. They have either resisted the universality of Western concepts of democracy, right and law, or suggested that there are different, non-liberal, but equally valid "Asian" understandings of these terms.[16] Confidence in the "East Asian Economic Miracle" has been severely shaken when the Asian economic crises started in 1997. And no more theoretical substitute for a Western-style democratic system could be justified when high economic growth and relative

---

[16] See, for example, *Straits Times*, 31 August 1993 and 6 February 1995. See also *Far Eastern Economic Review*, 10 December 1992, pp. 4 and 29. Richard

political stability of ASEAN was followed by the frustration of economic downturn.

Is economic development really relevant to the political system? This is a highly contentious issue. Two cases are worth noting here: the Philippines and Singapore. The Philippines has demonstrated that a low level economic development is not necessarily incompatible with democracy. Singapore example, on the contrary, has shown that a high level of development does not necessarily produce a democratic result. Interestingly, the Philippine President Fidel Ramos rejected the former Singapore Prime Minister Lee Kuan Yew's proposal to sacrifice a degree of democracy for the sake of political stability and economic growth.[17] For all these reasons, there is a general assumption that a high level of development can increase the demand and support for democracy through increases in income, education, pluralism and foreign contacts. It is also logical that a high level of development could also destabilise traditional forms of authority by increasing demands for the change of laws, the removal of government constraints, fair elections, a responsive legislature, and constitutional reform.

In the case of Taiwan, a state which used to be characterised as authoritarian state and is seen to share similar "Asian Values" to those of ASEAN states, it has demonstrated a compatibility of political culture with democracy and economic development. More importantly, Taiwan's political democratisation has not been followed by social disorder and political turmoil. (see chapter 5.1) For this reason, it is not impossible to draw lessons from Taiwan's experience for the ASEAN states.

Robinson, "Looking North: Myths and Strategies," in Richard Robinson, ed., *Pathways to Asia: The Politics of Engagement*, pp. 3-8.

In sum, the above-mentioned descriptions are schematic and hypothetical, and no two states have identical historical experiences, but it seems reasonable to assume that Taiwan's pattern might logically apply to ASEAN states. Because most ASEAN governments have tended to achieve high economic growth so that their political regimes have survived. At the same time, political leaders of ASEAN continue to justify their political rules by maintaining the political status quo. However, in the face of increased demands for greater freedom from the public, especially when economic, social and political developments mutually reinforce one another, regimes become powerless and are forced to make a choice. In this regard, although the dynamic of economic growth does not automatically lead to democratisation of ASEAN states, it may improve its chances. Taiwan has thus become a major promoter of ASEAN's modernisation in both its economic and political dimensions.

6. 1. 3 A FUNCTIONAL SPILLOVER?

Spillover", a key character of functionalist theory, is viewed as one possible variety of expansion or growth during international co-operation. A functional approach is based on the premise that co-operative efforts, as the interactions between social and economic forces get stronger, will gradually expand into more politically controversial areas, and an initial successful experience of co-operation can be transmitted to related sectors.[18] Functionalists also believe that experiences accumulated from co-operation can ease disputes and encourage states to integrate

---

[17] Alex B. Brillantes, Jr., "The Philippines in 1992: Ready to Take Off?" *Asian Survey*, Vol. XVIII, No. 2 (February 1993), p. 228.

with others. Ernst B. Haas for example, further advocate the formation of organisations of interdependent states.[19] Basically, such an approach, according to David Easton, refers to an interest in the means by which the system converts inputs into outputs. Functionalism focuses more on process than on result and is said to establish spontaneous networks which effectively, if not legally, bind societies together in complex and multilayered relationships.[20] More importantly, functional co-operation involves allocations of significant economic and political value to important national, subnational and transnational interests.

However, the functionalist approach has its own weakness. Contrary to a realist approach, the functionalist approach de-emphasises state actors and addresses economic exchange, shared attitudes and common beliefs between states. Further successful co-operation based on spillover effects may eventually realise the idea of "creating a common sovereignty."[21] But the basic problem of this approach is that it fails to explain how technical co-operation can spill over to a value-significant authorisation. Furthermore, no theoretical justification explains how functional co-operation can prevent the spillover from eroding the sovereign prerogatives of national governments. Far from offering a detailed discussion of functionalism and its critics, this section aims to examine the possibility that

---

[18] Ernst B. Haas, *Beyond the Nation-State: Functionalism and International Organisation* (Stanford:, Cal.: Stanford University Press, 1964), pp. 21-22.
[19] Ibid.
[20] David Easton, *A Framework for Political analysis* (Englewood Cliffs, N. J.: Prentice-Hall, 1965), pp. 25-50. See also James E. Dougherty and Robert L. Pfaltzgraff, Jr., eds., *Contending Theories of International Relations: A Comparative Survey*, 3rd ed, pp. 146-7. Linda Cornett and James A. Caporaso, "'And Still it Moves!' State Interests and Social Forces in the European Community," in James N. Rosenau and Ernst-Otto Czempiel, eds., *Governance Without Government: Order and Change in World Politics*, pp. 236-43.
[21] Quoted in Linda Cornett and James A. Caporaso, "'And Still it Moves!' State Interests and Social Forces in the European Community," p.241.

economic co-operation between states could spill over to the value-significant political agenda, which may help to mitigate the problem.

In the case of Taiwan and ASEAN co-operation, two phenomena are important in seeking to explain how Taiwan-ASEAN economic co-operation may spill over to political related areas. First, there has been a clear change of ASEAN attitudes toward Taiwan as a result of their economic ties getting closer, despite the fact that there are no formal relations between the two sides. Without doubt, it is difficult for ASEAN states to remain politically "neutral", but a functional "neutrality" is possible, which will be addressed later. Second, ASEAN states sought to find a balanced approach attempted to mitigate the problem by providing themselves as venues for confidence-building talks between Taipei and Beijing.

To be sure, if Taiwan's national security derives primarily from the nation economic strength and foreign trade, as argued in the previous chapter, then relations with ASEAN states would in a sense define the island's national security. This is not to suggest that Taiwan's national security depends on its economic co-operation with ASEAN states. In fact, it would be naive to believe that Taiwan's security could be effectively achieved simply through close relations with the ASEAN states. And it would be also unrealistic for ASEAN to make an alliance with Taiwan so as to balance the PRC's aggressive ambitions in the region. However, it is highly possible that ASEAN states could provide certain benefits for Taiwan through close economic co-operation, especially from the perspective of mitigating confrontation in the Taiwan Strait, given their small size and limited capability.

As noted above, functional schemes are at best complementary. Successful co-operation could bring partners into a situation of functional neutrality. For

example, the idea of "holiday diplomacy", a strategy to cover political motivations by using economic links with countries that have no formal relations with Taipei, was successfully employed by Taiwan   Premier Lien Chan and President Lee teng-hui in their trips to most ASEAN states, apart from Brunei, in 1994 and 1997.[22]   Although these visits were not official in nature, they symbolised the strength of economic co-operation between two sides and demonstrated an effective spillover from the economic domain to the related areas. In response to the PRC's serious warning, ASEAN leaders, though not necessarily being interpreted as being politically "neutral", did not make any compromise to Beijing's pressures.   Thailand's Prime Minister Chuan Leekphai, for example, stressed that he should show principle in conducting our policy, we have the absolute freedom to do so."[23]   More importantly, these visits have promoted complementary and reciprocal relations between two sides and established a pattern for high-level contacts between Taiwan and these ASEAN members. Indeed, such an approach, developing from cultural change and economic co-operation to political contacts, is a typical manifestation of functionalism.

Another example of functional spillover from economic front to politically related issues is the way in which ASEAN states voluntarily provided themselves as venues for talks between Taiwan and the PRC. For instance, Taiwan and mainland China held their first high-ranking meeting in more than forty years in Singapore in April 1993. Other ASEAN leaders also expressed their wishes to provide spaces and facilities for SEF and ARATS to conduct talks.[24] Through such channels, both Taipei and Beijing representative offices had a chance to make

---

[22] *United Daily*, 10 February 1994. *Central Daily News* (Southward Policy calendar), 5 January 1998.
[23] See *South China Morning Post*, 14 February 1994.

242

direct contact with their respective governments and acted accordingly. In this regard, ASEAN states, Singapore in particular, played a very important intermediary role in facilitating substantive confidence-building talks between Taiwan and mainland China.

The above-mentioned examples have demonstrated that spillover effects do exist between states. The key advantage for ASEAN and Taiwan arising from functional cooperation is that the two sides have become economically and, to a lesser extent, politically interlocked as a result. The public appeal by ASEAN states for a cessation of arms hostilities in the Taiwan Strait in 1996 reflected such facts. However, the weakness of the functionalist approach is that states are not necessarily willing to engage in deeper social and economic co-operation before political as well as security problems are resolved. Taiwan's application for membership of the ARF, and even its desire to become an ASEAN dialogue partner, were rejected simply because of Beijing's opposition. In this sense, it is also true that small ASEAN states have to be particularly cautious about the likely response from Beijing over any dealings with Taipei. As they will be reluctant to sacrifice relations with the PRC for the sake of political relations with Taiwan, they will have to rely on non-official ties with Taipei.

6. 2 THE PRC FACTOR

6. 2. 1 CO-OPERATION OR COMPETITION?

---

[24] See *South China Morning Post* and *Central Daily News*, 6,7 March 1998.

The PRC's role among the ASEAN states, unlike its role in Northeast Asia, where it is viewed by Moscow and Seoul as both an economic and strategic asset, is most limited. This is partly because Beijing has been preoccupied with other more important issues related to its struggle with the superpowers, and partly because, in Beijing's perception, ASEAN states were not a major threat to its survival but merely "collaborators" of the United States during the Cold War period. Thus, ASEAN's role in Beijing's policy was only peripheral. But an adjustment was made by Beijing after the Tiananmen Square incident in 1989. One reason, according to Lee Lai To, was that ASEAN states were rather self-restrained in comparison with other states in the West following the Tiananmen massacre.[25] Another reason was that most ASEAN states, to a certain degree, had the same political system as the PRC. What happened in Tiananmen square in mainland China might easily have happened in these states. Moreover, the PRC's "open door" policy and "four modernisations" forced the government from the late 1980s to look for external assistance. For these reasons, ASEAN's rational response to the Tiananmen Square incident was greatly appreciated by Beijing. The possibility of more interactions with ASEAN states was thus taken into account by the PRC.

Such a policy reorientation by Beijing did achieve significant results, including the establishment of formal ties with Indonesia, Singapore and Brunei in 1991, the improvment of PRC-ASEAN bilateral economic relations, and participation in the ARF in 1994. For all these efforts, Beijing's role in the ASEAN region seemed to be confined largely by security considerations instead of pragmatic interests.

---

[25] Lee Lai To, "ASEAN-PRC Political and Security Cooperation: Problems, Proposals, and Prospects," *Asian Survey*, Vol. xxxiii, No. 11 (November 1993), p. 1095. See also in Lee Lai To, "Domestic Changes in China Since the June Incident and Their Implications for Southeast Asia," *Contemporary Southeast* Asia, Vol. 13, No. 1 (June 1991), pp. 35-42.

Compared with Taiwan's remarkable economic performance and its deliberate policy of linking economic strength with political standing toward ASEAN states, Beijing's "one China" policy seemed less attractive than Taiwan "Southward policy" and even less serious than the South China Sea disputes. Even though any official contact between Taiwan and ASEAN would still lead to protests by Beijing, the PRC factor in Taiwan-ASEAN relations would continue to be marginal. In this regard, it would be logical for ASEAN states to pursue a de facto "one China" and "one Taiwan" policy. In other words, Beijing's threats and protests about Taiwan's "quasi-official" relations with ASEAN states had no substantial effect. Moreover, the "Taiwan issue" has continued to prompt ASEAN states to show their displeasure at signs of the hegemonism displayed by a hard-line PRC, in particular in relation to the territorial disputes in the South China Sea, which will be discussed in following section.

Indeed, despite the PRC's rapid economic growth and modernisation, its economic exchange with most ASEAN states has remained relatively small. In Beijing's calculations, compared with other industrialised countries, ASEAN states have yet to become significant strategic as well as economic partners, for their small size and resulting weakness could not meet Beijing's demands. Another reason is that mainland China remained primarily a competitor of Malaysia, Thailand, Indonesia, and its trade with the ASEAN six was only US$ 10.5 billion in 1993, considerably less than the total trade (US$ 14.13 billion) between Taiwan and ASEAN.[26] ASEAN ranked only seventh in total trade among the PRC's trade partners the same year. Similarly, the ASEAN states have not participated in significant direct foreign investment elsewhere in the world, including mainland

China. Although Singapore was the largest ASEAN investor in the PRC, its investment in mainland China was less than US$ 500 million in 1993.[27] The consequence of limited trade and investment between the PRC and ASEAN is that they have yet to develop significant economic incentives to consider each others' interests. However, in the context of an increased need for cooperation to minimise their competition-based economic disputes, multilateral economic policy will certainly assume growing importance in the regional affairs. Indeed, the impetus for regional economic co-operation may arise from the problems associated with competition among the countries with close trade relations. But Beijing has yet to take any substantial measures apart from joining APEC.

In fact, Beijing recognised that it could not rely on its economic capability to make its voice heard in the ASEAN region. It also realised that bilateral and multilateral economic co-operation that could be very helpful to its economic modernisation. If, as noted above, economic issues have replaced security concerns as the first priority in the region since the end of the Cold War, the PRC's economic weakness would consequently lead to a reduction of its influence on its southern periphery. This is not to imply that Beijing's role in the ASEAN region would be determined solely by the trends in the PRC's economic relations with the ASEAN states. The limited economic co-operation between two sides merely reflected the fact that both ASEAN and the PRC, compared with the NIEs, were listed lower in the regional economic hierarchy. There is little doubt that should economic ties between the PRC and ASEAN fail to expand significantly due to their weak complementarity in international markets, Beijing would in this regard

---

[26] *Taiwan Statistical Data Book* 1994, Council for Economic Planning and Development, Taipei (June 1994), pp. 197-99.

246

lack the ability to compete with other states for political influence through economic competition unless it attempted to increase its political standing by flexing its military muscle in the name of sovereignty, which now is seen as an inappropriate strategy in the international community. But its territorial disputes with several regional states have assumed increased importance for the PRC's relations with the ASEAN region. Although using forces could undermine not only the PRC's efforts to develop a positive regional presence but also its economic development as well, Beijing persistently declares its inflexible principle on sovereignty. In addition, the PRC's national defence policy of modernising its military power and exercising in neighbouring waters, such as the Taiwan Strait and the South China Sea, has further complicated Beijing's role in the ASEAN region.

Judging from its past records, Beijing seems unlikely to relinquish its political influence in the region, but has not yet had the capability to finesse the issue through economic diplomacy. For fear of being excluded from the major economic and political trends in regional affairs, the PRC has reluctantly participated in regional institutions, such as APEC and ARF. This probably explains why the PRC's policies have remained distinctly suspicious in substance.[28] Wang Shu, one Chinese analyst, has pointed out that "all countries, strong or weak, poor or rich, should be equal in economic cooperation and should consult with one another

[27] "China and the Stability of East Asia," Robert S. Ross, *East Asia in Transition: Toward a New Regional Order*, pp. 106-107.
[28] For a more detailed discussion of the PRC's suspicion on regional affairs, see David Armstrong, "Chinese Perspectives on the New World Order, pp. 471-75.

247

patiently in the Asia-Pacific region. . . cooperation would be incomplete without the participation of China."[29]

Despite the problems mentioned above, there is still considerable room for higher level economic co-operation between ASEAN and the PRC because mainland China has a large market and can provide complex high-tech products. Moreover, it has been argued that competition could be healthy to both the PRC and ASEAN because it would promote the necessary structural adjustment, diversification and value-addition for the products concerned.[30] Optimistically, should the PRC's economic presence significantly expand in the ASEAN region, in theory, it would seem logical to assume that Beijing's need to increase its political influence by relying on military power, under such circumstances, would be minimised. In practice, it is debatable whether even an economic power has the capability to satisfy its territorial claims without military support, let alone a state like the PRC whose economic growth is still in its early stage. Thus it is still uncertain whether the PRC would reduce its military presence in the region, even if its economic modernisation greatly improved. And the PRC's present national defence policy further complicates its relations with the ASEAN states.

6. 2. 2 POLITICAL UNCERTAINTY

---

[29] Wang Shu, "Study thoroughly the Global Competition for Economic Power-Grasp the Foundation of Changes in the International Situation," *Liaowang*, 9 April 1992, pp. 3-4.

[30] See, for example, Lee Lai-To, "China and ASEAN in the 1990s: Cooperation or Competition," in Denis F. Simon and Hong Pyo Lee, eds., *Globalization and Regionalization of China's Economy: Implications for the Pacific Rim and Korea* (Seoul: Sejong Institute, 1995), pp. 141-63. See also in *People's Daily*, 21 July and 1 September 1993.

Generally, the ASEAN states are currently experiencing a period of remarkable peace and prosperity, apart from Indonesia, but each state has nevertheless upgraded the quality of its armed forces, and considerable political capital has been invested in designing a workable "security framework" for the region. Thus we must ask: Why proceed with arms acquisition and at the same time engage in regional dialogues? What are the motivations? Perhaps, for ASEAN states, there is a sense of foreboding about Beijing's long-term intentions in the region. Or, more specifically, the main issue is the PRC's emergence as a regional military power with uncertain political intentions. "China's size, proximity, ethnic outreach and its renewed dynamism could still be fears in some of the small states of the ASEAN region,"[31] as one analyst remarks. However, the policies of ASEAN states toward the PRC, as noted earlier, are varied among themselves. Some see mainland China as a huge market, but others argue that the PRC is more a challenge than an ally from any perspective. Despite all their differences, all ASEAN states have agreed to deal with the PRC in every area, including the development of economic relations with Beijing, at the same time maintaining close ties with other powers, such as US, Japan and India, and forming solidarity to show that they will not be easily coerced.[32] As a result, the ASEAN states, even those inclined to downplay Beijing's military capabilities, have relatively less interest in developing very close relations with mainland China. The exception is Singapore.

For the PRC, its political culture and historical experiences basically constitute the large milieu in which its specific security calculations are made. It has a

---

[31] Ibid., 149-50. See also Buszynski, "ASEAN Security Dilemmas," pp. 90-107.
[32] See David B. H. Denoon and Wendy Frieman, "China's Security Strategy: The View from Beijing, ASEAN, and Washington," pp. 422-23

fundamental distrust of interdependence and alliances, for collaboration with foreign countries is potentially harmful. In Beijing's view, the history of alliance formation in the region offers only support for the stronger states which tend to manipulate their partners for their own purposes and draw allies into extended disputes with their adversaries. The belief that mainland China could be drawn into a power struggle in collaboration with foreign countries has prevented it from co-operating with other states. Beijing's frequent abstention in Security Council votes on the peacekeeping role of the UN has shown that it has little interest in intervening in other states' affairs.[33] Furthermore, the historical experience of modern China leads it to believe that a weak state and a divided nation invites foreign aggression. The PRC has thus sought to transform itself from a poor and backward country into a modern and powerful nation. To some extent, the PRC's military build-up, coupled with its economic growth, is a natural corollary to such an impetus.

However, many analysts, Denny Roy, David Shambough and Aaron L. Friedberg for instance, argue that states in the Asia-Pacific region are embarking on an arms race because of a suspicion of the PRC's intention. Despite Premier Li Peng's statement (in his visit to ASEAN states in December 1991) that the PRC "will not pose any threat to any country in this region in the remaining years of this century nor will it be a threat to any country in this region in the next century,"[34] no

[33] Ibid. See also in Jing-dong Yuan "Conditional Multilateralism: Chinese Views on Order and Regional Security," Working Paper No. 9, Centre for International and Security Studies, York University, Toronto (May 1996), pp. 1-25; David Shambaugh, "Growing Strong: China's Challenge to Asian Security," pp. 44-45; Lucian W. Pye, *Asian Power and Politics: the Cultural Dimension of Authority*, pp. 182-91.
[34] Quoted in Paul H. B. Godwin, "China's Asian Policy in the 1990s: Adjusting to the Post-Cold War Environment," in Sheldon W. Simon, ed., *East Asian Security in the Post-Cold War Era*, p. 133.

one really believed that. And such promises quickly came to an end in January 1995 when the Philippine government discovered that the PRC had occupied Mischief Reef, which created an overwhelming sense of resentment in ASEAN states. A subsequent missile threat to Taiwan in 1996 provided another example of the PRC's uncertain behaviour.

In fact, the PRC's policy goals and means in the Southeast Asian region are highly complex and to some extent contradictory. On the one hand, the Southeast Asian region is characterised by growing economic prosperity, with the exception of the Philippines and the Indochinese states. The PRC can undoubtedly profit from economic co-operation with the ASEAN states. Moreover, making friends or seeking realignment, especially with ASEAN states, by increasing its diplomatic initiative, could add to Beijing's bargaining power within the PRC-Japan-US strategic triad. On the other hand, the PRC has its own strategic goals that are considered more important than economic growth. But these strategic goals, such as territorial claims and sovereignty significances that are crucial ingredients for PRC's national cohesion, are seen as disruptive by ASEAN states. Beijing's dilemma thus requires a delicate policy to balance these conflicting goals and the possible results of the policies calculated to achieve them, and the PRC must decide which set of policies is most productive for the its own interests. According to Gerald Segal and Michael Leifer, increasing economic interdependence between the PRC and regional states has so far done little to restrain Beijing's calculations in territorial disputes with ASEAN states.[35]

---

[35] Michael Leifer, "Chinese Economic Reform and Security Policy: The South China Sea Connection," *Survival*, Vol. 37, No. 2 (Summer 1995), pp. 49-57. See also Segal, *China Changes Shape: Regionalism and Foreign Policy*, p. 46.

Apart from this, the PRC continues to have a large potential for destabilising behaviour, as shown by its arms sales and nuclear assistance policies. There is no simple way to understand the PRC's concepts on security according to the Western definition of national security, which is based mainly on the idea of military strength. The PRC has its own logic on security calculations. Its national security oes beyond the mere military protection of national borders," and it as strong social and political connotations,"[36] as David Shambough points out. The extent to which the PRC has the potential for disrupting regional stability depends on its leadership's perceptions of the cost of behaviour. Political consensus, national cohesion and nationalism thus play a very important part in the PRC's decision-making. Experience has demonstrated that if the PRC went through future internal convulsions, this would inevitably send shock waves through the whole region.

In contrast to Segal's pessimistic view, Harry Harding argues that Beijing's recent attitude toward regional states, especially in the ASEAN region, appears largely benign and more constructive than ever. Three major features of the PRC's foreign policy toward the region are welcome by regional states: the attempt to reduce tensions with its neighbours, increasing activity and responsibility to international organisations and regimes, and participation in the UN's peacekeeping mission in Cambodia. Harding also admits that although Beijing has generally behaved responsibly, it still has reservations about some key issues, such as national sovereignty and territorial claims, which are presently controlled by

---

[36] Shambaugh, "Growing Strong: China's Challenge to Asian Security," op., cit, p. 45.

other states. But he stresses that such claims should not be overstated because Beijing is trying to resolve them peacefully. [37]

Harding is perhaps right in terms of Beijing's efforts on the economic as well as diplomatic fronts with other states and the present strategic environment in the region, but this is still uncertain in the long run. Some major variables may be beyond Beijing's control. To start with, its relations with Taiwan seems more uncertain recently, the issues which have been addressed in previous chapter. The second factor is the constellation of major powers. For instance, there would be a major impact if Japan were significantly to increase its military capabilities for reasons such as a US withdrawal or the nuclearisation of North Korea. Furthermore, the PRC had serious military clashes With Vietnam on borders and the South China Sea in recent years. Such unpleasant experiences would heighten following Vietnam's entry into ASEAN. It remains to be seen whether Vietnam's role would fuel territorial disputes between ASEAN and PRC. Another major difficulty faced by ASEAN in dealing with Beijing, according to some analysts, lies in ambiguous information about PRC's long-term intentions and capabilities that leads to a range of possible interpretation."[38] In other words, if discerning Beijing's intentions is regarded as difficult and controversial, and if the PRC's policy and regional claims are viewed as ambiguous, then the South China Sea dispute between Beijing and the ASEAN states, under such circumstances, would become a major test of the contrast between PRC's rhetoric and action.

6. 2. 3 THE SOUTH CHINA SEA IMBROGLIOS

---

[37] Harry Harding, "A Chinese Colossus?" in Desmond Ball, ed., *The Transformation of Security in the Asia/Pacific Region*, pp. 109-113.

Undoubtedly, a major factor complicating the PRC's relations with ASEAN states is its claim to the South China Sea, because portions of the South China Sea are also claimed by Malaysia, the Philippines, Brunei, Vietnam and Taiwan. Unlike the claims of the other states, PRC's territorial claim encompasses all the islands and extends to the waters just off the coast of Malaysia and Brunei, drawing an imaginary boundary line covering about 75 per cent of the South China Sea and creating legitimate security concerns in both these countries. Beijing refuses to accept any one of the states that has a claim to sovereignty. In 1992, Beijing announced that the South China Sea "as a part of China's inland waters," and authorised the use of military force to stop the illegal passage of vessels.[39] Further, the PRC unilaterally applied the UN Conventional Law of the Sea (UNCLOS),[40] which came into force in 1994, to the South China Sea on the basis of its assertions of sovereignty. That is, the PRC claims all of the more than 200 islands, reefs, and shoals in the South China Sea. The question is : why? Is it in the interest of PRC to bear the brunt of ASEAN criticism and international condemnation at a time when Beijing is attempting to improve relations with both ASEAN and other states in the region? The fact that Beijing, as a modern nation-state, would maintain its claims

---

[38] Denoon and Frieman, "China's Security Strategy: The View from Beijing, ASEAN, and Washington," op. cit., pp. 437.

[39] *South China Morning Post*, 8 March 1992. See also Buszynski, ASEAN Security Dilemmas, pp. 91-92.

[40] The UN Conventional Law of the Sea accepts the 200 nautical miles Exclusive Economic Zone (EEZ) within which the state has the right to exploit and manage the living and nonliving resources (Article 2 and 3). The question of jurisdiction over nonliving resources raises the issue of overlapping Continental Shelf Zones which extend beyond the territorial subsea to the outer edge of the continental margin, or to a distance of 200 nautical miles, whichever is further. See Malcolm Chalmer, "Openess and Security Policy in South-east Asia," *Survival*, Vol. 38, No. 3 (Autumn 1996), pp. 82-98.

on the South China Sea according to ancient notions of cultural primacy instead of modern-day concepts of state sovereignty has made the issue ever more perplexing.

To answer this question is not as easy as it appears to be. Generally, it is argued, from the economic perspective, because the South China Sea is thought to have rich oil, from 1 billion to 105 billion barrels, and gas reserves which ranks the fourth largest deposit in the world thus could be very helpful to the PRC's prosperity.[41] Apart from this, the South China Sea is also rich in minerals, fishery and other natural resources, taken together, these could be of great support to the PRC's economic as well as military modernisation. In this respect, the PRC's possession of these islands would be certainly meaningful, especially in a world of shrinking natural resources. However, such a claim would certainly encounter some problems. For example, the PRC so far lacks the technology to drill and mine the southern waters of the South China Sea. Even if the PRC attempted to co-operate with international corporations, the uncertainty over ownership would still prevent these corporations from seeking co-operation with the PRC. Moreover, despite its efforts to increase its power projection capability, Beijing's military muscle is not yet sufficient to protect such an ambition in a short term.[42] Accordingly, economic considerations might not be the most significant issue for the PRC. Yet, the PRC's claim to the southern islands, Spratly in particular, has

---

[41] John W. Garver, "China's Push Through the South China Sea: The Interaction of Bureaucratic and National Interests," *The China Quarterly*, No. 132 (December 1992), p. 1015. See also Michael G. Gallagher, "China's Illusory Threat to the South China Sea," *International Security*, Vol. 19, No. 1 (Summer 1994), pp. 171-2. Leifer, "Chinese Economic Reform and Security Policy: The South China Sea Connection," op. cit., p. 44. "Oil Under the Trouble Waters," *Far Eastern Economic Review*, March 15 1984, pp. 30-33.
[42] Chong-Pin Lin, " Red Fist: China's Army in Transition," *International Defence Review*, 2 / 1995, pp. 30-34. Chalmer, "Openess and Security Policy in South-east Asia," op. cit., p. 82.

created enough uncertainty to inhibit other states from drilling and mining in the surrounding waters.

Apart from economic considerations, one of the PRC's major concerns about the South China Sea is the influence of China's historical legacy. Despite limited historical evidence to support its claims to the islands, Beijing put itself in a morally superior position by citing that its claim to the South China Sea dated back 1700 years to the time of the Han Dynasty. The National People's Congress of the PRC even ratified an announcement in 1992, stating that the South China Sea, including the Spratly Islands, was an integral part of the PRC and that the Chinese people had indisputable sovereignty: "It is a sacred territory" of PRC. The PRC thereby claims the right to use force to defend its maritime interests in the region. The PRC has put its words into practice by strengthening its naval and air capacity and trying to purchase aircraft carrier from Ukraine.[43] The subsequent military buildups on Mischief Reef, Hainan and Woody Island, the largest island in the Paracels group, are examples. In Michael T. Klare's view, the PRC's behaviour signals an inclination to dominate the South China Sea by force rather than negotiate shared control with the other claimants to the Spratelys."[44]

Another reason for the PRC's concern with the South China Sea is its strategic significance for sealane defence, interdiction and surveillance. The sea straddles a strategic sea route linking the Pacific to the Indian Ocean. A large volume of international maritime traffic crosses this area. All such trade funnels through the southern Straits of the Indonesian Archipelago and transits the South China Sea.

---

[43] Garver, "China's Push Through the South China Sea: The Interaction of Bureaucratic and National Interests," p. 1019. See also Stephen Parksmith, "Sprately Claims Conflict, " *Asian Pacific Defence Reporter: Annual Reference Edition*, 1993, p. 48. *Asian Wall Street Journal Weekly*, 23 March 1992, pp. 1-3.

Once fully claimed, the PRC, according to one observer, "would be left in virtual control of this major seaway between the Indian and Pacific Oceans and it would reach deep into the maritime heart of Southeast Asia."[45] In addition, these islands are excellent sites for military bases and could provide the PRC with aircraft carrier equivalents, potentially enabling China to prevent Japanese naval domination of the South China Sea, should Tokyo decide to resurrect its aircraft carrier production industry in the context of heightened regional tension,"[46] as Robert S. Ross points out. Furthermore, the PRC might use these islands for effective control and for sustaining pressure on Vietnam on its southern flank. All these possibilities present a potential threat to stability in the region.

Thus, the significance of these islands for the PRC seems to extend far beyond their actual size. But Beijing is aware of the fact that any overstatement of its sovereignty over the South China Sea could trigger public anger and raise serious disputes with neighbouring states. To make matters worse, the disputes would inevitably involve the interests of the US and Japan and could become a serious security problem affecting the entire region. The PRC's capability, as noted earlier, for naval power-projection still remains weak, at least compared with the US and Japan. It may not even yet have the power to hold all its claimed territory against determined ASEAN opposition in the South China Sea. Hence, Beijing has publicly urged a joint development between claimants. Premier Li peng, on his visit to Singapore in 1990, made an announcement that the PRC was prepared to

[44] Michael T. Clare, "The Next Great Arms Race," *Foreign Affairs*, Vol. 72, No. 3 (Summer 1993), p. 142.
[45] Yahuda, *The International Politics of the Asia-Pacific, 1945-1995*, pp. 216-17.
[46] "China and the Stability of East Asia," Robert S. Ross, *East Asia in Transition: Toward a New Regional Order*, p. 107

put aside the question of sovereignty and jointly develop the Sprately area.[47] But, such co-operation would be based on bilateral talks rather than multilateral negotiations by all countries involved.

In response to the PRC's actions, ASEAN presented united front against Beijing's approach. The ASEAN Foreign Ministers' meeting in Manila in 1992 issued a declaration calling for restraint, co-operation and the peaceful resolution of disputes. Co-operation would include ensuring the safety of maritime navigation and communication, protection against pollution, the co-ordination of search and rescue operations, and collaboration in the campaign against drug trafficking.[48] Despite its more conciliatory attitude toward ASEAN states, Beijing's proposal for joint co-operation on a bilateral basis was rejected by Vietnam and the Philippines. The ARF, to some extent, is seen a structure to prevent the PRC from expansion. However, as noted in the previous chapter, dialogue alone would seem to be inadequately to contain the PRC's claims in the South China Sea. The fact that all claimants but Brunei have increased their military spending in recent years makes it even more difficult to believe that the PRC's intransigence could easily be dissuaded.

For all these reasons, some hopes that through economic interdependence and "constructive engagement" with the PRC by ASEAN and its dialogue partners, the US and Japan in particular, Beijing would be drawn into a peaceful orbit in the international community. More importantly, if ASEAN states could maintain united front in a multilateral mechanism like the ARF, with the support of the US

---

[47] " Reef Knots," *Far Eastern Economic Review*, 30 August 1990, p. 11.
[48] "Fangs of the Dragon," *Far Eastern Economic Review*, 13 August, p. 21. See also in Mark J. Valencia, *China and the South China Sea Disputes*, Adelphi Paper 298 (London: Brassey's for the IISS 1995); Mark J. Valencia, "The Sprately

and Japan, the PRC, under these circumstances, would be more cooperative.[49] Constraining Beijing by "enlightening" and "tying China [PRC] into the international system," argues Gerald Segal, despite his realist inclination, would bring benefit for all. The PRC would co-operate with others, not because it is forced to but because of the power and trend of the forces of the international community.[50]

Compared with the PRC's aggressive attitude in the South China Sea, Taiwan action has seemed moderate but rather ambiguous. Although Taiwan has adopted a policy of self-restraint, it, just like the PRC, claimed all the islands in the South China Sea and has troops on the largest island in the Sprately group. Besides, other claimants have tended to suspect there might be a tacit understanding, even military co-operation, between Taiwan and the PRC. Such a suspicion is not groundless. For example, Taiwan's Defence Minister Sun Cheng stated that Taiwan would help the PRC to defend the South China Sea island group if necessary. Chang Ching-yu, Director of the Institute of International Relations in Taipei, even suggested that the government in Taiwan should co-operate with the

Imbroglio in the Post-Cold War Era," in Wurfel and Burton, eds., *Southeast Asia in the New World Order: The Political Economy of a Dynamic Region*, pp. 248-49.
[49] See, for example, Wolfram Wallraf, "Regional and Global Structures in the World Economy: The Role of China," Conference on *Strategic Regional Change: The Cases of Europe and East Asia*, Bonn, Germany, 11-12 October 1994, pp. 44-53. See also *Jane's Defense Weekly*, 17 July 1993, p. 32; Juwono Sudarsono, "China as an Economic Power: A Regional View," in Chee, ed., *The New Asia-Pacific Order*, pp. 90-106. Chalmers, "Openess and Security Policy in South-east Asia," pp. 82-98. Paul M. Evans, Proposals for Confidence Building and Conflict Reduction Mechanisms for the Pacific: The Prospect for Multilateralism, *The Fifth Asia-Pacific Roundtable*, 6-10 June 1991, ISIS, Malaysia.
[50] Segal, "Enlightening China", Denny Roy, ed., *The New Security Agenda in the Asia-Pacific Region*, pp. 131-37. Gerald Segal, "Tying China into the International System," pp. 60-73. Gerald Segal, *China Changes Shape: Regionalism and Foreign Policy*, pp. 45-58.

PRC to map jointly the waters and exercise jurisdiction accordingly.[51] It was reported in 1995 that the Chinese Petroleum Corporation of Taiwan and PRC National Offshore Oil Corporation had formed a joint venture for oil exploration in the East China and South China Sea in spite of heightened tension between both Taipei and Beijing due to President Lee's visit to the US.[52] Indeed, the fact that Both Taipei and Beijing have not seriously challenged each others' claims and have avoided military conflict over the islands deepens such suspicion and increases the difficulty for Taiwan in seeking co-operation with ASEAN.

However, others in both government and academic circles in Taiwan have argued that co-operation with the PRC in the South China Sea as a way to build confidence in the Taiwan Strait would further isolate Taiwan's foreign relations with other states in the region. Taiwan's Foreign Minister Frederick Chien, for instance, publicly stated that it was unlikely there would be an official joint exploration in the South China Sea between Taipei and Beijing, because Taiwan "prefers a multilateral co-operation in technical fields in which controversy is minimal, such as navigation safety, ocean pollution control, rescue operations, and ecological preservation." Chien further argued that it would be better for Taiwan to side with regional states than to co-operate with Beijing in an effort to counterbalance the PRC's aggressive posture in the region.[53]

---

[51] Eric Hyer, "The South China Sea Disputes: Implications of China's Earlier Territorial Settlements," *Pacific Affairs*, Vol. 68, No. 1 (Spring 1995), pp. 51-53; *Far Eastern Economic Review*, 5 May 1988, p. 26; *Jane's Defence Weekly*, July 17, 1993, p. 32;   Mark J. Valencia, *China and the South China Sea Disputes*, p. 10-11.

[52] "China, Taiwan United on Oil Exploration," *Asian Wall Street Journal*, August 31 1995, p. 2; *United Daily*, October 21 1995.

[53] *United Daily and China Times*, 9 December 1993. See also Michael Hindl: and James Bridge, "Disputed Islands," *Free China Review* (August 1994), pp. 42-47.

In sum, in Taiwan's struggle to improve its eco-political relations with ASEAN states, the PRC factor is indeed a serious concern of ASEAN. Although Beijing's economic importance, compared with that of Taiwan, seems far less in ASEAN's calculation, ASEAN has to find a balance between Taiwan's economic significance to the region and the dangers inherent in singling out the PRC as the primary threat to regional stability. Moreover, Beijing's uncertain political ambition, coupled with military modernisation, has alarmed ASEAN states. Despite differences amongst themselves, ASEAN states are aware that the best way of influencing the PRC's actions is through their unity, especially following the PRC's occupation of Mischief Reef in the early 1990s. Beijing might then understand that a consensus in ASEAN would lead to internationalise the South China Sea issue. Consequently, it may be useful for Beijing to have more dialogues on political and security issues, not just talks on a bilateral basis but also in a multilateral form. In this regard, participation in the ARF at the expense of Taiwan's exclusion, in Beijing's view, would mean that ASEAN states might be unable to use the PRC-Taiwan conflict to complicate its claims over the South China Sea. On the other hand, it would also be ASEAN's primary objective to entangle the PRC into the large web of a regional security system as the price for Taiwan's exclusion. In this regard, although Beijing is aware that ASEAN states are very amenable to Taiwan's pragmatic diplomacy and even maintain quasi-official links with Taipei, it is not worried that the ASEAN states would establish official ties with Taiwan and formally recognise it as a sovereign political entity. Accordingly, the PRC has had a major impact on ASEAN and Taiwan co-operation; and ASEAN's as already

a taste of the problem in building bridges with PRC and Taiwan,"[54] as one analyst

puts it.

6. 3 ASEAN AND TAIWAN IN THE REGIONAL CONTEXT

6. 3. 1 AN ECONOMIC COMMUNITY?

The World Bank 1993 "East Asian Miracle" study identified fundamental factors,

including high factor accumulation, macroeconomic stability, outward orientation,

and policy institutions, as being necessary for successful economic development.

This report was widely quoted by academic circles and business as proof of

confidence in Asian development. The World Bank made explicit the significance

of building and maintaining a market infrastructure and the indispensable role of

government in this process. Such a miracle, according to the World Bank, was not

very surprising, because regional states followed the line of what a miracle

recognised.[55] But why does the region, which was once frequently quoted as an

ideal model for development and was even characterised as the natural economic

territories" (NETs)[56], now faces serious economic crisis. We thus must ask: Is it

[54] Lee Lai To, "Some Thoughts on ASEAN and China: Institutional Linkages,"
Richard Grant, ed., China and Southeast Asia into the Twenty-First Century
(Washington: CSIS, 1993), p.49.

[55] World Bank, The East Asian Miracle: Economic Growth and Public Policy, pp.
1-26.

[56] The natural economic territories (Nets), according to Robert A. Scalapino, means
natural economic complementarities that cross political boundaries. The "natural"
does not imply lack of government involvement but can include government action
that removes barriers to realise pre-existing complementarities. See Robert A.
Scalapino, The Last Leninists: The Uncertain Future of Asia's Communist States
(Washington, DC: Centre for Strategic and International Studies, 1992), p. 20. See
also Robert A. Scalapino "The United States and Asia: Future Prospects," *Foreign
Affairs*, Vol. 70, No. 5 (Winter 1991-92), pp. 19-40; Amos A. Jordan and Jane

still a "miracle" now?   Furthermore, will the hope of building a regional

community be shattered by economic difficulties?   Or is the crisis said to be a

"creative destruction" leading towards the next miracle?

To answer these questions is by no means easy, even for an economist. When

World Bank and IMF (International Monetary Fund) officials flew to Bangkok,

Jakarta, and Seoul to devise a bail-out for these countries in the mid-1997, it

signalled a formal announcement of an end of "East Asian miracle".   Many

analysts believe that governments had turned a blind eye to growing evidence of a

corrupt banking system, which had contributed to a dangerous level of bad debts,

and bad financial management had been alluded to continue. East Asia's crisis

rested in large part on the regional intricately developed system.   If banks in

Thailand, Indonesia and Korea had started writing bad loans off the books far more

quickly, as Mexico did in 1994, they would probably now be seeing signs of

recovery. The scale of bad loans throughout Asia is so large that recapitalisation of

the whole economy is necessary. Others argue that the core problems are corrupt

crony capitalism, in which personal connections trump the rule of law or markets

almost every time, and bad economic policies.   In a democratic system,

governments could not get away with such failures. Even a state with high saving

accounts and many busy hands still needs a sound financial system working with

transparency and efficiency.[57]

Khanna, "Economic Interdependence and Challenges to the Nation-State: The Emergence of Natural Economic Territories in the Asia-Pacific," *Journal of International Affairs*, Vol. 48, No. 2 (Winter 1995), pp. 433-62.
[57] For a recent discussion of East Asia's economic crisis, see, for example, Shalendra D. Sharma, "Asia's Economic Crisis and the IMF," *Survival*, Vol. 40, No. 2 (Summer 1998), pp. 27-52; *The Economist*, 18 October, 15 & 29 November 1997, pp. 93-4, 25-27, 85-7; *Time* 8 and 22 December 1997, pp. 21-4 and 26-8; *Asian Wall Street*, 30 April and 16 June 1998.

Japan, which was said to be the main fire wall against a regional economic crisis due to its huge foreign currency reserves ($205 billion), its role as a principal source of investment in the region, and a big appetite for exports, unfortunately could not help pull regional states out of their slump owing to its own prolonged economic recession. Moreover, Japan's financial problems arose largely from the overall weakness of its economy, which has made people want to unload *yen* and buy US dollars. Nevertheless, a Japanese proposal for regional monetary fund (Asian Monetary Fund AMF) to bail out was rejected by the US.[58] The PRC, in this sense, might become the best hope for economic recovery in the region, because it is the only currency in East Asia that has not fallen in value since the crisis started in mid-1997. And no one doubts that if the *reminbi* (the PRC currency) did slip, that would launch the rest of the region into a new round of crisis. Its constructive role has thus contributed to regional as well as global economic stability. But it is still too early to tell whether the *renminbi* could last long enough to pass the crisis under the PRC's present banking system and financial management.

Although the Asian economic crisis is far from over and the impact of the IMF "bailout" programmes is not yet clear, many observers argue that Asia's economic future is still optimistic. The likely outcome is merely a slow down of economic growth in the region rather than something worse. For example, Ross Garnaut, an economic professor at the Australian National University, notes that this is a financial, not a fundamental, crisis, and the so-called "fundamentals" of Asia's economies remain hard to beat because of high saving rates, billions in direct

---

[58] For a detailed discussion of the Asian Economic Crisis, see Richard Higgott, "The Asian Economic Crisis: A Study in the Politics of Resentment", *New Political Economy*, Vol. 3, No. 3, 1998, pp. 333-53.

investment from abroad, plenty of relatively inexpensive workers to churn out exports."[59] Even the IMF believes that Asia's "fundamentals" are sound and the crisis is based on the internal roots of the problem, such as the failure to control large balance-of-payments deficit, the explosion in property and financial markets, mismanaged exchange rate regimes, rapidly expanding financial systems, and an unwillingness to act decisively once confidence was lost.[60] Apart from this, it may also be true in terms of the theory that currency depreciation could translate into a surge of overseas sales, which would lift the battered economies back to life. However, in the real world, as these states attempt to improve their industrial structures by importing materials, great recession, depreciation of currency in particular, could mean that fewer imports might translate into fewer exports. In this respect, Asia's economic crisis may not be very easy to resolve in the short term. Moreover, in a state of economic interdependence in the region, the danger is that a collapse of one economy could trigger a loss of confidence of others. Such a contagion effect may cause a meltdown across the region, which is the most fear of the IMF and rich states in other regions.

In fact, the political nature of these states, stresses Paul Dibb, has contributed to the current economic crisis because political leaders are reluctant to make structural reforms, especially for those regimes that depend for their legitimacy on economic growth. This highlights the conflict between economic and political imperatives. Dibb predicts that the crisis will lead to strategic consequences in the region and reshape the regional strategic order, including a shift in the balance of

---

[59] Quoted in *Time*, 22 June 1998, p. 45.
[60] Devesh Kapur, "The IMF: A cure or a Curse?" *Foreign Policy*, No. 11 (Summer 1998), pp. 114-28.

power. The PRC might be the big winner.[61]   Nevertheless, as noted earlier, the PRC has tremendous problems of its own.   If the Japanese *yen* continues to weaken, if foreign direct investment continues to fall in mainland China, and if the real growth of the PRC drops significantly, then a *renminbi* devaluation seems plausible.

Lessons from East Asia   economic crisis thus may be drawn as follows. First, the crisis reflects the fact that multilateral institutions such as the IMF signal the limitations of the nation-states that created them.   Sadly, a regional multilateral institution like APEC, one that is supposed to assist in solving regional problems by a collective response, has not yet matured and has done very little to relieve the crisis.   Second, policy interventions that may contribute to growth violate the principle of establishing for the private sector, which is viewed as an important contribution to long-term stability.   Third, the economies, such as those of Taiwan and Singapore, with solid financial structures and good management could be in a better position to weather the storm.   Fourth, an economic crisis could cause political regime change, and the principle of the so-called   on-interference in each other   internal affairs" is virtually impossible in the real world.

However, the above-mentioned lessons do not necessarily justify the failure of "Asian value." Just as some would mistakenly see consistent economic growth in East Asia as the victory of "Asian value", so too would it be mistaken to view the current crisis in regional economies as some kind of failure of "Asian value."[62] The Asian economic crisis has demonstrated that further regional co-operation and more advanced economic institutions are necessary, although the efforts of

[61] Paul Dibb, David D. Hale and Peter Prince, "The Strategic Implications of Asia's Economic Crisis," *Survival*, Vol. 40, No. 2 (Summer 1998), pp. 5-26.
[62] Ibid., p. 13.

governments to promote co-operation should not be underestimated. It should also be noted that economic co-operation will be determined more by market forces than by the will and arrangements of governments, particularly in a region with complicated political situation. There is little doubt that the region has attained closer ties through trade and capital flows without institutional arrangements. But this is not to suggest that a multilateral institution like APEC is unnecessary. In fact, APEC, as noted in chapter 2, was created to promote economic co-operation by open and free trade in the region. Despite the perception of its role during the crisis as a "talking club", if operated properly, it could motivate governments to behave efficiently, and regional co-operation could smooth development processes and even accelerate them. In this respect, even a multilateral forum such as APEC could be some use in coping with economic problems, and the experiences of this crisis simply suggest that it would be realistic and beneficial for the region as a group to support and advance freer trade. The aspiration to establish an economic community in the region may now be seen a premature idea, but its future could still be optimistic.

Besides, it should be noted that Taiwan's performance during the economic crisis has been commendable. From a regional perspective, Taiwan is unique within the region, for it is not a member of IMF, nor is it formally recognised as a state. For that reason, its successful experience in weathering Asia's crisis has been characterised not only as a model for ASEAN states to follow but also as part of a "second line of defence" envisaged by the Asian leaders.[63] For instance, in order to help ASEAN states to weather the crisis, Taiwan's Vice President Lien Chan and Director of Economic Construction P. K. Chiang made a visit to

---

[63] *The Economist*, 6 December 1997.

267

Southeast Asian states in the late 1997 and early 1998, and they were allowed to negotiate bilateral assistance.[64]   Dr. Mahathir, the Philippine President Ramos, Singapore Prime Minister Goh Chok Tong, and Indonesian President Habibie, either coming to Taipei or acting as a host, found themselves compelled to seek further co-operation with Taiwan in the hope that Taiwan would be coming to the aid. In view of this, Taiwan, though it may not necessarily be the most important actor, should be regarded as an important pillar of a regional architecture for stability as well as prosperity.

In short, if ASEAN states could successfully weather the economic storm with the help of the IMF and rich countries, they might have a chance to create another economic miracle. But this could best be done within a civil society that follows the rules of a market economy. A fair and freer society thus may be introduced. If so, it may be said that Asia's economic crisis provides an ideal opportunity for ASEAN states to rejuvenate themselves. And the characterisation of East Asia's crisis as one of "creative destruction" in an opening speech delivered by Malaysia's Deputy Premier Anwar Ibrahim in the 12th Asia-Pacific Roundtable could be seen to point to the prospect of the regional states constructing a sound society in the face of the next wave of challenge.

6. 3. 2 A COMMON SECURITY OR A COMPREHENSIVE SECURITY?

As economic and political factors have assumed significant roles in both shaping the structure of the emerging security framework in the region and determining important aspects of regional behaviour with regard to security matters, the concept

---

[64] *Central Daily News* and *South China Morning Post*, 5, 13, and 21 January 1998.

268

of security has changed accordingly. A traditional approach to international security, in which high security requirements make it difficult to form a common interest and run the risk of setting off arms competition, focuses more on war than on co-operation. A balance of power system, a scheme arising from the self-interests of the individual states, requires alliances to maintain international security. In contrast to the conventional approach to international security, two new security concepts, "common security" and "comprehensive security", are now widely endorsed in the region.

"Common security", [65] involving seeking security with other states rather than against them, represents a significant departure from the realist security paradigm, a zero-sum notion of deterrence and power. Although there is no agreed definition of "common security", it is generally accepted that it refers to co-operation, dialogue and confidence-building. It suggests many measures such as strengthening international institutions and revamping the customary code of international conduct so as to manage the pressing economic, military and environmental problems that no national government can handle separately. Such a concept is rooted in the recognition that all states, even the most powerful, are dependent in the end upon the good sense and restraint of other nations."[66] Obviously, a sufficient understanding of security in the modern era must encompass not only one state and its allies but its adversaries and neutral

---

Also in *United Daily News*, 7, 8 March 1998.

[65] The new security concept of "common security" involves a transformation of views on the role of military power. Such a concept was formulated by such leaders as Willy Brandt of Germany and Olaf Palme of Sweden, and reflected in reports of the four well-known international commissions that they, and later Fro Harlem Brundtland of Norway and Julius Nyerere of Tanzania, headed the Palme Commission in 1982.

bystanders as well. Even if the adversary lacks an equivalent power, it is said to resort to other methods, such as unorthodox guerrilla warfare. That is, insecurity for one's adversaries eventually rebounds into insecurity for oneself, and more armaments do not lead to more security. Thus, in Gareth Evan's view, common security means achieving security with others, not against them."[67] This approach, basically, rejects the concept that long-term security is attainable through an arms race.

Furthermore, unlike the realist paradigm, in which security is achieved by essentially unilateral means, the common security approach adopts a much wider view, seeing security as a function of economic as well as political relationships. It also assumes that states share a common interest in avoiding war and the security dilemma". War could thus be avoided through strategies that emphasise co-operation and reassurance, and minimise the need for deterrence and confrontation. Indeed, recognition of this interdependence implies that states have to adjust their security policies to a more co-operative stance with others. In this respect, common security instead sees security as a problem which has to be approached through co-operative rather than confrontational means, and by the promotion of the common good.

Nevertheless, a common security approach, a non-provocative defence in nature, does not rule out the possibility of using military force. Although common security strategies seek to enhance security by increasing defensive deterrent capabilities, reassurance takes priority over deterrence in determining strategy and force

---

[66] The Palme Commission on Disarmament and security Issues, *A World At Peace: Common Security in the Twenty-first Century* (Stockholm: The Palm Commission, 1989), pp. 6-7.
[67] Gareth Evans, *Cooperating for Peace: The Global Agenda for the 1990s and Beyond* (St Leonards: Allen & Unwin, NSW 1993), p. 15.

structure because the "security dilemma" is a far more probable cause of war than aggression. The assumption that a common security can be achieved by "deterrence" is therefore based on a reassurance. Nevertheless, critics argue that a common security approach neglects the principle of "peace through strength". As security perceptions are usually subjective, the ideal of common security at best can temporarily remove incentives for an enemy to resort to pre-emptive strike, but it still can not avoid a security dilemma because every individual state has the right not to be overwhelmed by the military forces of the other."[68]

The reduction of tensions in the Asia-Pacific region, undoubtedly, is conducive to a growing interest in building co-operative connections among states. But it is highly questionable whether a common security approach can be materialised in a region with many potential dangers. In theory, it is logical that if the PRC, which presents a potential security threat to the region, is to enhance its security by increasing military expansion and building up its military power that increases the threat, even inadvertently, to an adversary, the latter will usually try to develop more military power to increase the threat to the PRC. East Asia's increasing military expenditures in the past several years in part explain such causality. But, in practice, there is no security mechanism like NATO in the region, nor is there a collective security system to cope with any possible threats posed by potential aggressors. Even the US-Japan and US-Korea mutual defence treaty agreements are on a bilateral basis and cover mainly Northeast Asia. The ARF, though its final

---

[68] Stan Windass, ed., *Avoiding Nuclear War: Common Security as a Strategy for the Defence of the West* (London: Brassey's, 1985), p. 120. See also Colin Mcinnes, "NATO Strategy and Conventional Defence," Ken Booth, ed., *New Thinking about Strategy and International Security*, pp. 171-3; Buzan, *An Introduction to Strategic Studies: Military Technology and International Relations*, pp. 276-88; and Robert C. Johansen, "Building World Security: The need for

purpose seems to be to develop a reassurance with the full support of the US, Japan and the PRC in the region, has so far been seen as a "talk shop" without any substantial problem-solving measures. In view of this, a common security approach may be a model for regional states to pursue in the future, but it is unrealistic for the moment.

In contrast to a Western-oriented concept of common security, a "comprehensive security" approach (see chapter 3) focuses on non-military means of attaining security. Such an approach stresses that economic, political and social connections are far more important than the military means in pursuit of national security and international security. ASEAN's remarkably successful example over the past thirty years testifies to the feasibility of this approach. However, a successful example in the ASEAN region, as argued earlier, may not necessarily be true for other parts of the region. The ARF, without doubt, is an audacious trial of ASEAN in an attempt to extend a comprehensive security approach to the rest of the region.[69] Pessimists contend that military buildup in the region could have a negative impact on this approach, and the PRC's uncertainty and the area's geographic diversity have made it more difficult to realise. Under these circumstances, a collective identity, a prerequisite for the achievement of a comprehensive approach, would be virtually impossible. In that case, a comprehensive security approach beyond the scope of ASEAN would not be seen feasible. The situation, argue some analysts, is that military deterrence and defence will be necessary in the [Asia-Pacific] region for the foreseeable future because

---

Strengthened International Institutions," Klare and Thomas, eds., *World Security: Challenges for a New Century*, pp. 374-5.
[69] For a detailed discussion of the ARF, see chapter 4.

272

"revisionist' aggression, even if of declining importance among developed states."[70]

In fact, this is not completely the case in the region. Despite scepticism about the success of the approach, there is an increasing awareness that all the activities surrounding the fora are leading towards a gradual engagement of the reluctant parties. Although it may seem slow, it is better than doing nothing. Whether a comprehensive approach would succeed or not in a region larger than that of ASEAN is not certain. However, structures are always being reproduced or transformed by practice and thus are not static background conditions for collective identity formation," argues Alexander Wendt. And as the degree of common fate increases, so does the incentive to identify with others," he stresses.[71] In this regard, it is logical that structural transformations are embedded in interactions between actors. The rise of institution-building in the region to some extent reflects a shared sense of pursuing the common good. But this is far short of a sufficient condition for a fear-free community. However, the prospects could be increased if a comprehensive security approach could proceed with more sophisticated policies. To make this work, one possibility is to use the US-Japan and US-Korea alliances as a framework for the ARF to enter into a constructive dialogue with regional states, the PRC in particular. In so doing, the region could move steadily toward the creation of effective institutions, with APEC promoting open and free trade, on the one hand and the ARF evolving into a conference on regional security co-operation on the other. Territorial disputes in this regard might not be crucial drivers in most crises for the region.

---

[70] Paul Kerr, Andrew Mack and Paul Evans, "The Evolving Security Discourse in the Asia-Pacific," in Andrew Mack and John Ravenhill, eds., *Pacific Cooperation: Building Economic and Security Regimes in the Asia-Pacific Region*, p. 250.

As for Taiwan, its ability to participate in regional affairs is clearly constrained by the PRC. Nevertheless, it is in the interest of Taiwan and ASEAN to pursue a collective approach in dealing with regional affairs, and its close ties with ASEAN and other states in the region do still provide some advantages. For example, both CAPS (the Chinese Council for Advance Policy Studies), an institute involved in Taiwan's regional diplomacy and security policy, and IIR (the Institute of International Relations), a think tank for government policy-making, have become key research institutes for building up links with like-minded think tanks in the Asia-Pacific region and have developed a working relationship with academics in ASEAN states by constant participation in conferences with the Institute of Southeast Asian Studies in Singapore, the Centre for Strategic and International Studies in Jarkata, the Institute of Security and International Studies in Bangkok, and the Institute of Strategic and International Studies in Kuala Lumpur. Although both are "non-official" academic institutes, they have close links with government agencies. Andrew Yang, the Executive Secretary of CAPS, and Shaw Yu-ming, later the director of the Government Information Office, have been invited to attend the ASEAN ISIS Roundtable talks in Kuala Lumpur since 1992. Through such a channel, Taiwan's security concern could still be addressed. Moreover, the non-official European example of the Wehrkunde Conference, suggests Douglas H. Paal, President of the Asia Pacific Policy Centre and a former Bush White House official, could also serve as a useful model for the Asia-Pacific region.[72] In that case, Taiwan would be in a better position to exchange views with

[71] Wendt, "Collective Identity Formation and the International State," p. 389.
[72] The Wehrkunde Conference, held every Spring since the early 1950s, is a privately organised conference, including representatives drawn primarily from NATO countries. It mainly discusses European security issues. See Douglas H. Paal, "Emerging Security Frameworks and Mechanism in the Asia-Pacific: The

practitioners of security policy in the other states in the region. Such a proposal should be given a serious consideration.

In sum, ASEAN and Taiwan are very important pillars, both economic as well as security, for regional prosperity and stability. Their close relationship through economic co-operation has provided them with the dynamics to pursue both common and regional interests. The meaning of increasing interdependence in the region is two fold: increasing a state's sensitivity and vulnerability, on the one hand, and strengthening a state's security on the other. Which logic obtains depends on one's particular interpretations. However, the pace of economic co-operation does suggest qualified optimism. What is not clear is whether ASEAN and Taiwan's co-operation will pave the way for an internationalisation of the state. But what *is* evident is that co-operation between Taiwan and ASEAN is not only one of Taiwan's main security options, apart from self-reliance, ties to the US, and continued caution in dealing with mainland China, but is also one of the main way in which ASEAN can contribute to political as well as economic stability.

Conclusion

The information presented in this chapter has shown that there has emerged complex links and networks between ASEAN-Taiwan relations. The cases examined in this chapter also reveal that the possibility of a spillover effect from economic sector to political-related sphere through functional co-operation is very high. However, it is still uncertain that improving substantive economic ties with ASEAN could enhance Taiwan's position in the regional security system and it

Political and Economic Aspects of Regional Security and Defense Programming,"

should not be exaggerated because economic co-operation between states is not an especially common or powerful cause of alignment. It may reinforce commitments that are made for some reasons, but it rarely leads to such commitments in the absence of political incentives. The lesson of this chapter is that economic co-operation can help states achieve their various aims efficiently and smoothly. But when confronted with the problem of sovereignty and when interests diverge, it is unlikely to overcome the durable political constraints that states inevitably face.

in Pfaltzgraff, and Lee, eds., *Taiwan in a Transformed World*, pp. 53-4.

CHAPTER 7

CONCLUSION

In this thesis I have tried to do two things. First, I have sought to examine the reasons why Western international relations theory, when applied in the Asia-Pacific region, is, to a certain extent, explainable. Second, I have put forward a substantive normative theory which is dubbed *international co-operation*, in seeking to show that co-operative policies between ASEAN and Taiwan may strengthen ties of interdependence or help create spillover effect for optimal results. Three schools of thought thus coexist in the study of international co-operation in this thesis. Each of these schools focuses on a specific variable which helps to define its identity. Neo-realists believe that power and considerations of relative power position affect the content, and circumscribe the effectiveness and robustness, of international co-operation. Neo-liberals point out that egoism (self-interest) can be a motive for international co-operation among states and likewise for the creation of, and compliance with, international institutions. Functionalists argue that societies are composed of sectors that can be separated from one another for initial co-operative purposes, and that initial successful co-operation in the economic and social sectors can be transmitted to other related sectors. This suggests that juxtaposing these three schools of thought is a convenient way of classifying the ever-growing literature about international co-operation. Such a paradigmatic pluralism, in fact, does not entail the reality of continuing to invest large amounts of each school's intellectual resources into sharpening differences and hamper our understanding of international co-operation. However, theories inherently have their own weaknesses. As Marysia Zalewski argues, they may not

have instrumental power to cover every aspect of social phenomena. In other words, theories, based on the assumptions of power, interest and knowledge find it really difficult to maintain a coherent whole picture of the nature of actors and the international system. [1] An interdicipline, under these circumstances, is necessary. This also implies that to be useful analytically and prescriptively, theories should strive for inclusiveness instead of isolating parts from the wholes, and should become integrative, both in explanatory and normative purposes. We therefore conclude this study with some considerations about the prospects for synthesis of three or even more schools of thought in contemporary international co-operation analysis.

In a real world, present economic co-operation between Taiwan and ASEAN has demonstrated some ambivalent characteristics. The growing amount of trade, together with capital outflow from Taiwan, has further upgraded Taiwan-ASEAN ties into some form of quasi-diplomatic relations. While this provided a sound basis for arguing that an adjustment to ASEAN's Taiwan policy was necessary and desirable. However, the argument was effectively neutralised because of growing threat of the PRC to ASEAN. ASEAN could not ignore the strategic significance or the enormous economic and military potential of the PRC. Nor could ASEAN ignore Taiwan when it has become a major investor in the region. The problem has always been to find a formula that allowed ASEAN to work both sides of the Taiwan Straits.

So what conclusions can be drawn from the thesis as a whole? Our principal conclusions can be discussed under four main headings, according to their prospects

---

[1] See Marysia Zalewski, "All These Theories yet the Bodies Keep Piling Up: Theory, Theorists, Theorising," in Smith, Booth and Zalewski, eds., *International Theory: Positivism and Beyond*, pp. 340-353.

for future co-operation, major findings, contributions and limitations, and agenda for future research.

7. 1 PROSPECTS FOR FUTURE CO-OPERATION

In the Asia-Pacific regional context, co-operation refers to co-ordinated policies designed to maintain economic prosperity and political stability, while competition refers to military buildups, which are likely to generate arms races and the formation of alliances. The implications of the development of institution-building in the region have shown that regional states are attempting to mitigate the problems that are caused by anarchy. Optimistically, learning by repeated co-operation among regional states under these mechanisms could make structure reproduced and induce certain rules and norms that bond the states together. Although it is true that states' choice between co-operation and competition is highly conditional, there is clearly no preference for competition. A collective identification of common fate could thus be formed to minimise the possible constraint of an anarchical structure. As a result, the "internationalisation of the state", to use Alexander Wendt's term,[2] can be obtained.

However, this is not to imply that state-centric systemic international relations theory fails to explain a gradual structural transformation of a regional system and so ought to be abandoned. In fact, a structural change may mean nothing more than shifts in polarity that may not actually end the cycle of historical conflict and despair. International co-operation will thus be retarded by the consideration of a distribution of power in the region; and a realist PRC increases such a possibility.

---

[2] Wendt, "Collective Identity Formation and the International State," pp. 391-94.

279

However, history may not necessarily repeat itself again in terms of an emerging transition in the Asia-Pacific region, and a prevalent global trend may lead the states to break this vicious fate. In this sense, APEC and the ARF, though arguably in their early stages and still immature, may be viewed as offering a better start for regional states to make a constructive engagement.

In the case of ASEAN and Taiwan, there can be no doubt that the problem of Taiwan's sovereignty has hampered co-operation. In theory, the problem of recognition implies a problem of social identity and may limit the effective resort to reciprocity. A state, by being recognised as a sovereign entity, increases its confidence that others will respect its individuality. The reward of recognition by others could thus promote collective conceptions over egoistic interests. But two different possibilities are likely to appear. One is that when an egoistic sovereign is recognised, the state will resist a collective form of co-operation due to its security considerations. The other is that a state tends to be more egoistic than co-operative when it is unsure whether its rights and interests will be acknowledged by others, especially when its sovereign status has not been fully recognised.

In practice, the major constraint to Taiwan-ASEAN co-operation comes from the third party—the PRC, whose irredentist behaviour has prevented ASEAN states from formal recognition of Taiwan. Moreover, the PRC's strong political stance has ensured Taiwan's exclusion from important international institutions such as the UN and World Bank, and a newly formed regional body, the ARF. All this demonstrates that the problem of recognition of an actor by others will certainly affect the latter's role in the international system. Nevertheless, a de-recognition of Taiwan's sovereignty by Beijing could not diminish Taipei's efforts to seek international co-operation with the outside world, including the ASEAN states in

the recent economic crisis. Furthermore, because both Taiwan and ASEAN pose no security threat to each other, there should be no motivation for mutual exclusion. In this respect, the problem of co-operation seems one of a security concern rather than the recognition of sovereignty. Taiwan's attempt to shift its trade focus from mainland China to ASEAN reflects such a fact. For that reason, although Taiwan itself is a unique example with respect to its foreign relations in international society, its co-operation with ASEAN has demonstrated that the question of a state's isolation depends on how it acts rather than on others. Accordingly, Taiwan will certainly continue its co-operation with not only ASEAN states but with other states, just as the PRC will continue its opposition to the international recognition of Taiwan. Indeed, for Taiwan, any co-operation must begin with, and overcome, that political reality.

7. 2 MAJOR FINDINGS

As noted in the introduction to the thesis, the primary objective has been to take a broader view, beyond realism and liberalism, in order to understand international co-operation between Taiwan and ASEAN in particular, and to see how their mutual co-operation could, to a greater or lesser extent, enhance each others' security and promote regional stability. The major findings from previous chapters can be summarised as follows. Firstly, a multilateral Asia-Pacific is not what it appears to be. This, to some extent, creates a problem for theorists. Much of the scepticism about the prospects for establishing multilateral institutions in the Asia-Pacific region has focused on the region's political considerations, cultural diversity, and different security perceptions, particularly compared with the unity of Western

Europe. The fact that multilateral co-operative economic and security institutions like APEC and ARF have emerged in the region underlies the attempts by regional leaders to mitigate the above-mentioned problems. Nevertheless, the Asian economic crisis has proved that the notion of "regional solutions to regional problems" may be impractical. The US-backed IMF, not the APEC, has played the key role in the rescue of the region, but its policies to bail out regional states, including Thailand, Indonesia, and Malaysia, have had limited success and also seem more problematic as time proceeds. Disappointment in the ineffectiveness and the inability of any existing international institutions to solve the economic turmoil has caused a resentment of Asian policy makers. This could undermine the long-term prospect for further institutionalisation of APEC and increase a sense of forming a rigid East Asian regionalism.[3] As for the ARF, it has followed the example of ASEAN and has been seen more likely as a "talk shop" serving particular interest than as a venue for regional problem solving. The Asia-Pacific, in this sense, would be an empty notion of artificial construction. This may, however, be a turning-point for the region as long as all major powers pay more attention to international co-operation than to competition. Indeed, Asian models and the rising of so-called Asian identity have raised wide range of debates. Some stress that because of the distinctive characteristics of East Asian economies, Western-style mechanisms may be inappropriate for the Asia-Pacific region. Thus, only through a process based on Asian political culture can international co-operation in the region be sustained.[4] Others, Aaron L. Friedberg for example,

---

[3] Higgott, "The Asian Economic Crisis: A Study in the Politics of Resentment," pp. 333-353.
[4] See, for example, Amitav Acharya, "Beyond Anarchy: Third World Instability and International Order after the Cold War," in Stephanie G. Neuman, ed., *International*

argue that today's Europe may be Asia's tomorrow, especially after the economic crisis which started in mid-1997. Two implications ensue: (1) "regional solutions to regional problems" may be a beguiling simplicity in the face of crisis; (2) international co-operation can be a better way consistent with the regional imperative. The overall finding is that a multilateral international system is likely to be less conflict-prone than a bipolar one, but it is the economic crises that sets the agenda for the Asia-Pacific region.

Second, a non-Western-style institution like ASEAN might have been effective in international co-operation in its own way in the past. Traditionally, in assessing the effectiveness of international institutions, one should look at the behaviour of states not only in responding to the dictates of international institutions on their own behalf, but also in implementing the provisions of regimes in such a way as to ensure that all members comply with institutional requirements. These criteria are fundamentally based on European experiences, according to which a formal structure is seen necessary to meet the need. However, ASEAN's performance to some extent reflects the prejudice that Asian states should follow the Western model regardless of the consequences. Unlike the European model, which is product-oriented and seeks to achieve a formal agreement, ASEAN, as noted in chapter three, is process-oriented and emphasises consensus and informality. These approaches have become important features of intra-regional relations. This is not to imply that ASEAN resists all forms of institutionalisation. Instead, it prefers a non-binding and flexible framework of co-operation and avoids excessive institutionalisation. Nevertheless, ASEAN is facing a serious challenge accompanied by its enlargement and ongoing economic crisis. It remains to be seen

---

Relations Theory and the Third World (London: Macmillan Press LTD, 1998), pp.

whether the ASEAN model can survive the crisis, or whether it may be forced to change.

Third, the ARF is unlikely to become a security mechanism in the Asia-Pacific region in the near future. The ARF is thought of as an extension of ASEAN model in a wider regional context. The fundamental goals and core organising principles of the ARF are to build security with others, not against them. In this respect, the ARF is seen a long-term process for CBMs in the Asia-Pacific region. Theoretically, through repeated interactions among members, rules, norms and principles will be formed and a collective understanding and identity can be obtained. Small states like ASEAN in a post-hegemonic era can be in a better position to engage in constructive co-operation by learning and transmitting information. In practice, the ARF needs Great Powers support. The US, PRC and Japan are the most influential actors in the region. Despite their reservations, particularly those of the PRC and the US, they all support a multilateral form of security dialogue in the region. The initial development is not without merit, but the ARF has yet to develop a remit for regional problem solving. Indeed, if the ARF, rather than following the pattern created in Europe as an important regional security framework, is seen as "emerging from unique historical circumstances and will likely evolve in its own particular way" in the Asia-Pacific region, as Paul Evans argues,[5] then its success or failure depends on whether regional states can mitigate conflict timely and effectively.

159-91.
[5] Paul M. Evans, "The Dialogue Process on Asia Pacific Security Issues: Inventory and Analysis," in Paul M. Evans, ed., *Studying Asia Pacific Security* (Toronto and Jakarta: University of Toronto-York University Joint Centre for Asia Pacific Studies and Centre for Strategic and International Studies, 1994), p. 303.

Fourth, the democratisation and *de facto* Taiwan may be a double-edged sword. On the one hand, Taiwan's successful transition both from an authoritarian politics to a democratic system and from a poor island to a wealthy state has won it an international reputation. On the other hand, despite its distinct achievements, its ambiguous and isolated international status has remained little changed. Ironically, its struggle for international recognition, which is viewed as a threat to the sovereignty of mainland China, has put itself into a dangerous situation. A democratic Taiwan obviously increases the chance. Logically, if democracy, human rights and the right of people to self-determination are seen as universal principles, then it is reasonable to say that Taiwan has long been an independent state. However, international reality denies such a fact. So, is Taiwan a part of China, like Hong Kong? Or is it an undefined entity that is both state-like and a non-state, both Chinese and Westernised, both independent from China while nominally part of it? Or does it really matter in an age when globalisation has been the trend? Sharply defined Taiwan's status and identity would only jeopardise the country's interests. Its survival depends, for the time being, on preserving the ambiguity of its identity.

Unfortunately, such a development inevitably involves the United States, whose ambiguous role in the past has made it increasingly difficult to balance its policy between Taipei and Beijing. The dilemma is that the US is less likely to win the PRC's friendship at the expense of Taiwan, nor would it wish to confront mainland China for the sake of Taiwan. Remaining status quo may seem a better option, but the question is: how long can this last?

Fifth, through the initial successful economic co-operation of ASEAN and Taiwan, the dynamics to pursue common interests between states will increase. A spillover effect will thus encourage ASEAN to take a position of "functional

neutrality" or as an "honest broker" between Taipei and Beijing, and this might be helpful to regional stability. Viewed in this way, ASEAN may become one of Taiwan's security options. On the other hand, if political stability and economic prosperity are mutually reinforced, then Taiwan's evolutionary experiences, both politically and economically, may be seen as a good example for ASEAN. "Lesson drawing", whereby one society learns from another, could increase the similarities and provide a chance for integration. In this regard, although it is too early to conclude that the Asian economic crisis signals a collapse of "Asian values", there is little doubt that a free trade and free market are not natural products, but need strong political support, which is hardly ever seen in a non-democratic system. Indeed, Asian economic advisers were as capable as anyone else of recognising the structural deficiencies created by the very economic success of their states. The problem was more one of "denial" by the political elites, who face political and social constraints that have been underestimated by the international institutions, especially the IMF. In this regard, the economic crisis of ASEAN should be seen as a turning-point for reform with the help of regional states as well as international institutions.

7. 3 CONTRIBUTIONS AND LIMITATIONS

Apart from the major findings noted above, it must be stressed that this study is actors-specific. The major actors, Taiwan and ASEAN, are basically classified as "small" and "weak" states, but exploring the patterns in ASEAN and Taiwan co-operative interactions can yield a number of contributions, both substantively and theoretically. At the same time, some research limitations are unavoidable.

First, the study of ASEAN and Taiwan co-operation could provide useful insights into the broader study of co-operation among small states. In contrast to the traditional view, in which international co-operation emerges only with the help of hegemons, the emergence of "collective self-reliance" in the ASEAN region and their co-operation with Taiwan provide evidence that co-operation does happen among a group of small states without the leadership of Great Powers.[6] Indeed, in traditional international relations theories, international co-operation is based on the rise and fall of hegemony and its consequences, and such theories offer little help in answering the question of international co-operation between weak states. Moreover, even when scholars do refer to small states, they tend to use international (or systemic) factors rather than domestic ones. Unlike hegemons, small states are usually preoccupied with their survival not victory, and policy choices thus become a more powerful influence on the decision-making calculus than gains. In the absence of effective understanding, the theoretical values of IR may thus be reduced. For that reason, a comprehensive understanding of the dynamics underlying international co-operation among small states requires that the actors be related both to the international system and to the state system. This suggests that the study of small states should focus more on threat analyses and its consequences than on hegemons.

Second, international co-operation emerges not only between actors but also between adversaries. The neo-realist paradigm assumes that international co-operation is not impossible, but will be rare between adversaries because of structural constraints and its minor contribution to states' well-being. Viewed in this way, neo-realists present a fundamentally pessimistic analysis of the prospects

[6] Keohane, *After Hegemony: Co-operation and Discord in the World Political*

287

for international co-operation. Contrary to the conventional wisdom, a substantive knowledge of Taiwan-ASEAN and Taiwan-PRC co-operative interactions has demonstrated that such a pessimism is unwarranted. Furthermore, the general propensity for adversaries to compete is not an inevitable consequence of neo-realism's basic assumptions. In fact, under certain conditions, adversaries can best achieve their security goals through co-operative policies. This study suggests that states' choices between co-operation and competition are highly conditional.

On the one hand, Taiwan's "mainland China" policy, to a certain degree, reflects its willingness to co-operate with an adversary. Through repeated interactions of reciprocal co-operation, Taiwan has achieved both economic and political gains. On the other hand, if co-operation will increase its adversary's security more than its own, and if this relative loss would in turn reduce its own security, the state will change its co-operative strategy. Taiwan's "Southward Policy" is logically a security-seeking strategy. Thus, although it is correct to state that uncertainty about its adversary's motives provides reasons for a state to compete, it is also true that uncertainty about motives creates powerful reasons for states to co-operate. Accordingly, it is logical, when the risks of competition exceed the risks of co-operation, that states should direct their self-help efforts toward achieving co-operation. And states might change their behaviour if the risks of co-operation may exceed their tolerance. From the perspective of Taiwan's policy choice, co-operation with its adversary, mainland China, is still possible, but it will probably be limited to areas of secondary importance because of Taiwan's perception of vulnerability. In this regard, the neo-realist assumption that the dominant goal of states is security since, to pursue whatever other goals they may have, they must

---

Economy, p. 219.

288

first survive, is validated. There is another issue, which is that the Taiwan-mainland China interaction is a private-based rather than a government-based form of co-operation. This might reduce the effectiveness of Taiwanese government's policy in an attempt to divert its economic as well as political risks from continuous co-operation with its adversary.

Third, a functional co-operation may create the spillover effects that encourage states to transcend old differences and accept common interests. Theories, realism and neo-realism for example, scarcely explain how states and social actors perceive their changing interests. Neo-realism's explanation of change relies fundamentally on power and structure, with preferences remaining constant; while a functional approach draws our attention to actors as well as processes. It offers an account of states' changing definitions of interest in the intersection of domestic and international processes. Such an approach, according to Ernest Haas and Joseph Nye, emphasises the process of learning and directs our attention to the changing character of states.[7] Indeed, by showing others through co-operative acts, states are simultaneously learning to identify with each other. In so doing, functional approaches "would well begin to transform the nation-state system into a less anarchic world polity,"[8] argues Seyom Brown.

Through co-operative interactions between states, as demonstrated in chapter six, a functional neutrality has been seen in ASEAN states. Certain norms, rules, and patterns thus are induced. To some extent this encourages further co-operation between the two sides. It is not clear whether reciprocal co-operation might lead to

---

[7] Haas, *Beyond the Nation-State: Functionalism and International Organization* pp. 35-71. See also Joseph S. Nye, Jr., "Neo-realism and Neo-liberalism," *World Politics*, Vol. 40, No. 2 (January 1988), pp. 238-9.
[8] Brown, *International Relations in a Changing Global System: Toward a Theory of the World Polity*, p. 52.

an evolution of genuine community, as the European experience has shown, but it is certain that in the case of Taiwan and ASEAN co-operation, states do change their behaviours for the common good. Unfortunately, as argued by neo-realists, the fact is that security related issues and political sovereignty still play a dominant role in decision-making in ASEAN, despite its attempts to achieve a balance between Taipei and Beijing.

Fourth, as the density of interactions among actors is getting stronger, states become powerless and the term   his is strictly an internal affair", announced by one state, no longer convinces others. This is not to suggest that states are no longer important in international society. On the contrary, they do exist and continue to be important as source of legitimacy and the rule of law. But their power as administrative and policy-making agencies have declined. More importantly, they have no real capacity over their economic domain. Two examples, in this study, are worth noting. One is that states themselves become powerless when economic crisis strikes. In East Asia, especially in South Korea and ASEAN states such as Indonesia, Thailand, Malaysia and the Philippines, states have needed IMF financial support to survive recent economic crisis. Although it is uncertain how long these states could rejuvenate their economies, it is clear that states need external supports when internal problems are beyond their managements.

Another case is Taiwan. Its survival, to some extent, has made hostage of regional states, not only because of its economic capability as one of the major sources of investment for ASEAN, but also for its successful political transformation from an authoritarian politics to a democratic system that has become a model for developing countries. For these reasons, Taiwan's security problem is not purely "an internal affair" of the PRC, but an international one. The

extent to which regional states would suffer if there were serious military conflict in the Taiwan Strait is not clear. But it is widely thought that the internationalisation of Taiwan makes this silence problematic.

Fifth, the case of Taiwan-ASEAN co-operation has revealed that change or continuity can be generated at any level in the international politics. The dynamics of such change or continuity can also come from or be processed through, structures and behaviours not necessarily encompassed only by a political force. The economy, ecological environment, and cultural groupings can also be forces. Developments in these "non-political" fields may affect, sometimes profoundly, the values of states that construct and transform international relations. In this respect, the danger may be that through repeated co-operation such a web might seem to defy efforts to develop a coherent theory of international politics because of constant changes. But if we conceptualise the international system as "any structure that exhibits order and pattern",[9] then we have a basis for formulating a theory about the cause-effect and continuity-change relationships in international politics.

Indeed, students of international politics tend to pay their attentions to structures and actor's behaviour. The understanding of change and continuity has thus become a major source of controversy between neo-realism and neo-liberalism. Their current wave of debates facilitates a theory-building exercise and reflects contemporary dissatisfaction with traditional realist approaches towards international politics. However, the increasing numbers of theorists has not added to the credibility of theoretical predictability and prescription. Most theorists are still devoted to the explanation and description of present political phenomena rather than seeking an useful policy-relevant theory so that a more orderly and just

international system can be built. In this regard, the rational choice and functional approaches, despite their limitations, can be seen to be very useful in beginning to move towards that goal.

7. 4 AGENDA FOR FUTURE RESEARCH

The research undertaken in this thesis focuses, as far as possible within the time and space constraints, on a number of issues related to international co-operation in the Asia-Pacific region in general, and to ASEAN-Taiwan co-operation in particular. By Focusing on the themes discussed in the thesis, the aim has been to develop an understanding of those particular features of international co-operation that have been highlighted. However, there remains a rich agenda for future research. Some of the key issues may be summarised as follows.

First, one crucial problem that ASEAN-Taiwan co-operation will continue to face is the evolution of the economic crisis that started in the region in mid-1997. Upon the completion of this thesis, the economic crisis was not yet finished. There is no clear sign of economic recovery in the region. The assumptions made by the IMF in June 1997 were that: 1) the economic crisis is a temporary phenomenon; 2) the economic crisis is limited to the regional realm; 3) the IMF has the power to solve the problem. Although these assumptions have not yet proved totally invalid, they seem to be highly optimistic expectations. Risks are always present. The US has been determined to use the IMF as the primary agency for managing the crisis and imposing numerous policy changes in Korea and some ASEAN states. It also rejected Japanese proposals for a regional monetary fund. The US-backed IMF

---

[*] Kenneth E. Boulding, *The World as a Total System* (Beverly Hills: Sage

292

would, in a sense, be seen a scheme which satisfied America's own trade and investment needs in the region. For Asian leaders, the incompetence and inability of the region's multilateral institutions, APEC and the ARF to solve regional problems, has given impetus by some, Mahathir for instance, to propose the reconstruction of a new regionalism. More specifically, if IMF programmes should fail or if the PRC's currency, the *reminbi*, should be devaluated, the second wave of economic crisis could be triggered. Taiwan and ASEAN states might thus suffer a huge impact. By that time, we must ask: would they continue to maintain the current pattern of co-operation?

Second, another intriguing and important issue is the role of the PRC. Although this thesis offers an analysis of the PRC's influence on regional, and especially ASEAN-Taiwan co-operation, some issues still need further exploration. Broadly speaking, the region has developed closer ties because of trade and capital flows, which to a large extent are conducive to further regional co-operation and encourages an outward-oriented co-operation framework. The PRC seems ready to play an active role and strengthen its co-operation in the region. There is no doubt that Beijing will benefit from its participation in regional co-operation, which provides a great opportunity for its development. Its persistence in maintaining the *reminbi's* value during the economic crisis in the region may be viewed as very helpful in stabilising the regional economy and facilitating the process of regional co-operation. Nevertheless, the PRC itself is a key variable. As its importance increases, its policy change poses a serious problem for regional co-operation. Therefore, further research on the patterns of the PRC's decision-making and the factors which might cause the PRC to change seems essential.

Publications, 1985), p. 9.

Third, more consideration should be given to the impact on the changing nature of ASEAN of the trends of regionalisation and globalisation. A "non-intervention in internal affairs" principle, which used to be cherished by all members, has now become problematic. The more ASEAN members push for the modernisation of their economies, the more they will face challenges to their regimes. It remains to be seen whether a new "constructive engagement" principle raised by Thailand and the Philippines' Foreign Minister at the ASEAN Ministerial Conference in July and October 1998 become a new model for ASEAN.

Fourth, there is also a need to conduct further research on Taiwan's domestic politics and its effects on the country's foreign relations. Although democracy seems to have a promising future, the issue of independence is increasing tension between Taiwan and mainland China, thereby threatening regional stability. This is certainly bound to impact on Taiwan's security, in which the US is inevitably involved. Thus, some key questions need to be examined: will democracy lead Taiwan into independence? If so, is the US still committed to the protection of Taiwan in case the PRC should attempt to unify China by force? If not, what policy is in the best of Taiwan, the PRC and the US?

One final question which needs further research is whether ASEAN's role in the Asia-Pacific region is to steer the multilateral institutional process and move from the periphery to the centre. Some related issues are thus raised. Can APEC and the ARF be accepted as economic and security regimes in the region? If so, should APEC be encouraged to emulate the OECD or should it seek to become an Asian version of the European Union? As for the ARF, should it become an ASEAN-style regional security mechanism or should it be a NATO-like military arrangements? For all these questions, regional states need to pay their attention to international co-

operation because their economies seem now tightly connected with the world economy.

BIBLIOGRAPHY

DOCUMENTS

"Fundamentals of Security for a New Pacific Community," *US Department of State Dispatch: Asia and the Pacific*, Vol. 4, No. 29, July 1993.

ASEAN Documents: Treaty of Amity and Co-operation in Southeast Asia, Article 2, ASEAN Secretariat Jakarta, June 1978.

"Political and Security Co-operation", *ASEAN: An Overview*, Jakarta: ASEAN Secretariat, 1995.

"Bangkok Summit Declaration of 1995," Fifth ASEAN Summit, Jarkada: ASEAN Secretariat, 1996.

ASEAN Declaration of 1967, ASEAN Documents, Bangkok: Ministry of Foreign Affairs, 1978.

Dato Seri Mahathir Mohammed at the *First ISIS National Conference on National Security*, 15 July 1986, ISIS, Kuala Lumpur. ISIS Focus 17 August 1986.

ASEAN: An Overview, Jakarta: ASEAN Secretariat, 1995.

"Chairman's Statement of the Second Meeting of the ARF," Bandar Seri Begawan, Brunei Darussalam, 1 August 1995, Jakarta: ASEAN Secretariat, 1995.

Chairman's Statement at the Third Meeting of the ARF, Jakarta, 23 July 1996, ASEAN Secretaria.

The Security of the Asia Pacific Region, CSCAP Memorandum No. 1 (April 1994).

ARF Concept Paper, Chairman's Statement of the Second Meeting of the ASEAN Regional Forum, Brunei Darussalam, 1 August, 1995.

ROC Foreign Affairs Report, GIO (Government Information Office), 1993.

Mainland Affairs Council, Executive Yuan, Republic of China, *Relations Across the Taiwan Strait*, Taipei, 1994.

ROC National Defence Report 1993-1994.

Taiwan Statistical Data Book 1994, Council for Economic Planning and Development, Taipei, June 1994.

A Report on Southward Policy (in Chinese), a report made by the Minister of Economic Affairs P. K. Chiang, at the Economic Committee of the Legislative Yuan, 27 December, 1993.

The *US Department of State Bulletin*, January 16, 1950.

NEWSPAPERS AND PERIODICALS

Asahi Shimbun, 30 August 1994.

Asian Wall Street Journal Weekly, 23 March 1992

Asian Wall Street Journal, August 31 1995

Asian Wall Street, 30 April 1998.

Asian Wall Street, 16 June 1998.

Asian Wall Street Journal, August 3, 1998.

Asiaweek, 26July 1996.

Asiaweek, 9 May 1997.

Beijing Review, 22 May 1989

Beijing Review, November 25-December 1, 1991.

Beijing Review, February 3-16 1992.

Beijing Review, 6-12 September 1993.

Beijing Review, 8-14 August 1994.

Beijing Review, June 29-July 5, 1998.

Business Times (Singapore), 24-25 June 1995.

Central Daily News (Chung Yung Jih Pao), 21 October 1987

Central Daily News (Chung Yung Jih Pao*)*, 5 January 1995.

Central Daily News (Chung Yung Jih Pao), 7 March 1998.

Central Daily News (overseas , Southward Policy calendar), 5 January 1998.

Central Daily News (overseas), 10 January 1998.

Central Daily News (overseas), 4, 6 & 7 March 1998.

Central Daily News (overseas), *China News* (Chung Kuo Shih Pao), 3 February 1996,

China Post, 4 May 1993.

China Post, 28 December 1993.

China Post, 12 March 1994.

China Post, 27 January 1994.

China Post, 17 January 1998.

China Post, 6 March 1998.

China Times (Jong Kuo Shih Pao), February 21 1996.

China Times (Jong Kuo Shih Pao), 15 February 1998.

China Times (Jong Kuo Shih Pao), 3 & 5 March 1998.

Daily Yomiuri, 20 March 1990.

Far Eastern Economic Review, March 15 1984

Far Eastern Economic Review 23 March 1988.

Far Eastern Economic Review, 5 May 1988

Far Eastern Economic Review, 30 August 1990

Far Eastern Economic Review, February 6, 1992.

Far Eastern Economic Review, 10 December 1992

Far Eastern Economic Review, 13 August, 1992.

Far Eastern Economic Review, 2 December, 1993.

Jane's Defense Weekly, 17 July 1993.

Japan Times, 4 April 1991.

People's Daily, 13 July, 1989.

People's Daily, 24 March 1992.

People's Daily, 20 April 1993

People's Daily, 21 July 1993.

People's Daily, 1 September 1993.

People's Daily, 20 February, 1996

South China Morning Post, 8 March 1992.

South China Morning Post, 14 February 1994.

South China Morning Post, 5, 13, and 21 January 1998.

South China Morning Post, 6 March 1998.

Strait Times, 23 March 1989.

Strait Times, 5 May 1989.

Straits Times, 23 July 1994.

Straits Times, 10 October 1994.

Straits Times, 1 January and 25 February 1995.

Straits Times, (Singapore), 31 August 1993.

Strait Times (Singapore), 6 February 1995

Strait Times (Singapore), 2 May 1997.

Strait Time (Singapore), 15 May 1998.

Strait Times (Singapore), 17 May 1998.

The Economist, 9 March 1991.

The Economist, July 31, 1993.

The Economist, 27 September 1997.

The Economist, 4 & 18 October 1997.

The Economist, 15 & 29 November 1997.

The Economist, 6 December 1997.

The Economist, 16 May, 1998

The Sunday Times (Singapore), 14 May 1989

The Sunday Times (Singapore), 26 November 1989.

Time, 4 August, 1997

Time, 8 and 22 December 1997.

Time, 6 October 1997.

Time, 18 May 1998.

Time, 22 June 1998.

United Daily (Lian-Ho Pao), 21 March 1988.

United Daily, (Lian-Ho Pao), October 21 and 23 1987.

United Daily, 10 February 1994.

United Daily (Lian-Ho Pao), 14 and 15 February 1998.

United Daily (Lian-Ho Pao), 3, 5, 7, & 8 March 1998

Washington Post, July 8, 1993.

Washington Post, 21 September 1993.

Washington Post, 24 December 1993.

Washington Post, 8 March 1998.

PAPERS

Ball, Desmond, "ASCAP: Its Future Place in the Regional Security Architecture," paper presented to the Eighth Asia Pacific Roundtable, ASEAN ISIS, Kuala Lumpur, 6-8 June 1994.

Chiu, Hungdah, *The International Legal Status of the Republic of China*, Baltimore, Maryland: Occasional Paper / Reprint Series in Contemporary Asian Studies, revised edition, No. 5, 1995.

Choy, Chong Li, "Open Self-Reliant Regionalism: Power for ASEAN's Development," ISEAS *Occasional Paper*, 65, 1981.

Curtis, Gerald L. "Sino-Japanese Relations Through Chinese Eyes," *Institute Reports*, New York: East Asian Institute, Columbia University, 1993.

Dewitt, David, "Concept of Security for the Asia-Pacific Region in the post-Cold War Era: Common Security, Cooperative Security and Comprehensive Security," Paper presented at the Seventh Asia-Pacific Roundtable, Kuala Lumpur, 6-9 June, 1993.

Dibb, Paul, "Towards a New Balance of Power in Asia," *Adelphi Paper* 295, London: Oxford University Press for IISS, 1995.

Evans, Paul, M. "The Council for Security Cooperation in the Asia/Pacific Region: Context and Prospects," paper presented to the conference on 'Economic and Security Cooperation in the Asia Pacific: Agenda for the 1990s,' Canberra, 28-30 July 1993.

——————— Proposals for Confidence Building and Conflict Reduction Mechanisms for the Pacific: The Prospect for Multilateralism, *The Fifth Asia-Pacific Roundtable*, 6-10 June 1991, ISIS, Malaysia.

Indorf, Hans H. *ASEAN: Problems and Prospects*, Occasional Paper No. 38, Singapore: Institute of Southeast Asian Studies ISEAS, 1975.

Koh, Tommy, "America's Role in Asia: Asian Views," CAPA (Centre for Asian Pacific Affairs) Report, Asia Foundation, San Francisco, November 1993.

Koon, Heng Pek "Mahathir Can get Japan to say yes," *ISEAS Trends*, no. 58, 1995.

Lasater, Martin L., "US-ROC-PRC Relations in an Era of Systemic Change", Paper presented at the 4th Tamkang University-University of Illinois Conference at Tamkang University, Taipei, Taiwan, 1992.

Leifer, Michael, *The ASEAN Regional Forum: Extending ASEAN's model of regional security*, Adelphi Paper. 302, London: Oxford University Press for IISS, 1996.

——————— "Regionalism, the Global Balance and Southeast Asia," *Regionalism in Southeast Asia*, 1st Conference of ASEAN Students of Regional Affairs (ASEAN I), Oct 22-25 1974, CSIS, Jakarta.

Lucian Pye, "The Concept of Political development," *The Annals of the American Academy of Political and Social Science*, Vol. 358, March 1965.

Segal, Gerald, "The East Asian Balance after the F-16 Sale to Taiwan," Chinese Council of Advanced Policy Studies, Taipei, 1992.

——————— "China Changes Shape: Regionalism and Foreign Policy," *Adelphi Paper* No. 287, London: Oxford University, IISS, 1994.

Shengzhi, Li and Zi Zhongyun, "Taiwan in the Next Decade", Paper prepared for Atlantic Council Conference on Taiwan, Washington, DC, March 1985.

Simon, Sheldon W. "Security Prospects in Southeast Asia: Collaborative Efforts and the ASEAN Regional Forum," paper presented to the Conference on the 30 years of ASEAN in Mainz, July, 1997.

Snitwongse, Kusuma, "Thirty Years of ASEAN: Achievements Through Political Cooperation," Paper presented to the Conference on 30 Years of ASEAN, in Mainz, July, 1997.

Soon, Lau Teik, "Regional Security Developments and ASEAN Responses: A Singapore View," *Strategic Papers,* Vol. 4, No. 1, Jakarta, IISS, 1992.

Valencia, Mark J. *China and the South China Sea Disputes*, Adelphi Paper 298, London: Brassey for the IISS 1995.

Wallraf, Wolfram, "Regional and Global Structures in the World Economy: The Role of China," Conference on *Strategic Regional Change: The Cases of Europe and East Asia*, Bonn, Germany, 11-12 October 1994,

Wanandi, Jusuf, he ARF: Objectives, Processes and Programmes," paper presented at the Ninth Asia Pacific Roundtable, Kuala Lumpur, June 1995.

Yuan, Jing-dong, onditional Multilateralism: Chinese Views on Order and Regional Security," Working Paper No. 9, Centre for International and Security Studies, York University, Toronto, May 1996.

ARTICLES

Acharya, Amitav, "Multilateralism: From ASEAN Way" to Asia Pacific Way?" *The Pacific Review*, Vol. 10, No. 3, 1997.

——————— "The Association of Southeast Asian Nations: 'Security Community' or 'Defence Community'"? *Pacific Affairs*, Vol. 64, No. 2, Summer 1991.

Ahmad, Zakaria Haji, "ASEAN in the 1990s," *Contemporary Southeast Asia*, Vol. 9, No. 3, September 1987.

Alagappa, Muthiah "The Dynamics of International Security in Southeast Asia: Change and Continuity," *Australian Journal of International Affairs*, Vol. 45, No. 1, May 1991.

——————— "Regional Arrangements and International Security in Southeast Asia: Going Beyond Zopfan," *Contemporary Southeast Asia*, Vol. 12, No. 4, March 1991.

Antolik, Michael, "The ASEAN Regional Forum: The Spirit of Constructive Engagement," *Contemporary Southeast Asia*, Vol. 16, No. 2, September 1994.

Armstrong, David, "Chinese Perspectives on the New World Order," *The Journal of East Asian Affairs*, Vol. 8, No. 2, Summer/ Fall 1994.

Ashley, Richard K., "The Poverty of Neo-realism," *International Organisation*, Vol. 38, No. 2, Spring 1984.

Axelrod, Robert and Robert O. Keohane, "Achieving Cooperation under Anarchy: Strategies and Institutions," *World Politics*, Vol. 38, No. 2, October 1985.

Ball, Desmond, "Strategic Culture in the Asia-Pacific Region," *Security Studies*, Vol. 13, No. 1, Autumn 1993.

——————— "Arms and Affluence: Military Acquisition in the Asia-Pacific Region," *International Security*, Vol. 18, No. 3, Winter 1993/94.

——————— "A New Era in Confidence Building: The Second-Track Process in the Asia/Pacific Region," *Security Dialogue,* Vol. 25, No. 2, June 1994.

Bernard, Mitchell and John Ravenhill, "Beyond Product Cycles and Flying Geese: Regionalism, Hierarchy and the Industrialisation of East Asia," *World Politics,* Vol. 47, No. 2, January 1995.

Betts, Richard K. "Wealth, Power, and Instability: East Asia and the United States after the Cold War," *International Security*, Vol. 18, No. 3, Winter 1993/94.

Bowring, Philip, "Regional Role Re-evaluated," *Free China Review*, Vol. 46, No. 3, March 1996.

Bray, John, "Burma: Resisting the International Community", *The Pacific Review*, Vol, 5, No. 3, 1992,

Brillantes, Jr., Alex B. "The Philippines in 1992: Ready to Take Off?" *Asian Survey*, Vol. xxxiii, No. 2, February 1993.

Bull, Hedley, "International Theory: The Case for a classical Approach," *World Politics*, Vol. xviii , No. 31, April 1966.

303

Buzan, Barry, "Economic Structure and International Security: The Limits of the Liberal Case," *International Organisation,* Vol. 38, No. 4, Autumn 1984.

——————— and Gerald Segal, "Rethinking East Asian Security," *Survival*, Vol. 36, No. 2, Summer 1994.

——————— "The Southeast Asian Security Complex," *Contemporary Southeast Asia*, Vol. 10, No. 1, 1988, pp. 12-13.

Cabestan, Jean-Pierre "The Cross-Strait Relationships in the Post Cold War Era: Neither Unification Nor "Win-Win" Game", *Issues and Studies*, Vol. 31, No. 1, January 1995.

——————— "Taiwan's Mainland Policy: Normalisation, Yes; Reunification, Later," *The China Quarterly*, No. 148, December 1996.

Calder, K. E., "Japanese Foreign Economic Policy Formation: Explaining the Reactive State," *World Politics*, Vol. 40, No. 4, October 1988.

Chalmer, Malcolm, "Japeness and Security Policy in South-east Asia," *Survival*, Vol. 38, No. 3, Autumn 1996.

Chao, L. and R. Myers, "The First Chinese Democracy: Political Development of the Republic of China on Taiwan, 1986-1994," *Asian Survey*, Vol. xxxiv, No. 3, 1994.

Chen, Xianming, "Taiwan Investment in China and Southeast Asia," *Asian Survey*, Vol. xxxvi, No. 5, May 1996.

Clare, Michael T. "The Next Great Arms Race," *Foreign Affairs*, Vol. 72, No. 3, Summer 1993.

Claude, Jr., Inis L., "The Balance of Power Revisited," *Review of International Studies*, Vol. 15, No. 1, January 1989.

Cleveland, Harlan, "The Future of International Governance: Managing a Nobody-in-Crone, Donald, "Does Hegemony Matter? The Reorganisation of the Pacific Political Economy," *World Politics*, Vol. 45, No. 4, July 1993.

Cox, Robert, "Social Forces, States and World Orders: Beyond International Relations Theory," *Millennium: Journal of International Studies*, Vol. 10, No. 2, 1981.

Davis, Elizabeth Van Wie, "An Island Alone: Taiwan and the Asian Arms Race," *the Journal of East Asian Affairs*, Vol. xi, No. 2, Summer / Fall 1997.

Denoon David B. H. and Wendy Frieman, "China's Security Strategy: The View from Beijing, ASEAN, and Washington," *Asian Survey*, Vol. xxxvi, No. 4, April 1996.

Dibb, Paul David D. Hale and Peter Prince, "The Strategic Implications of Asia Economic Crisis," *Survival*, Vol. 40, No. 2, Summer 1998.

Evans, Paul M. "Building Security: The Council for Security Cooperation in Asia Pacific (CSCAP)", *The Pacific Review*, Vol. 7, No. 2, 1994.

Fifield, Russell H. "ASEAN: Image and Reality," *Asian Survey*, Vol. xix, No. 12, December 1979.

Friedberg, Aaron L., "Ripe for Rivalry," *International Security*, Vol. 18, No. 3, Winter 1993/94.

Fukuyama, Francis, "The End of History?" *National Interest*, No. 16, Summer 1989.

Funabashi, Yoichi. "Bridging Asia's Economic-Security Gap," *Survival*, Vol. 38, No. 4 , Winter 1996-97.

Gallagher, Michael G. "China's Illusory Threat to the South China Sea," *International Security*, Vol. 19, No. 1, Summer 1994.

Galtung, Johan, "Transarmament: from Offensive to Defensive Defence," *Journal of Peace Research*, Vol. 21, No. 2 , 1984.

Garver, John W. "China's Push Through the South China Sea: The Interaction of Bureaucratic and National Interests," *The China Quarterly*, No. 132, December 1992.

Gasiorowski, Mark J. "Economic Crisis and Political Change: An Event History Analysis," *American Political Science Review*, Vol. 89, No. 4, December 1995.

Gilpin, Robert, "The Richness of the tradition of Political realism," *International Organisation*, Vol. 38, No. 2, Spring 1984.

Gordon, Bernard K. "The Asian-Pacific Rim", *Foreign Affairs*, Vol. 70, No. 1, Fall 1991.

Gowa, Joanne, "Anarchy, Egoism, and Third Images," *International Organisation*, Vol. 40, No. 1, Winter 1986.

Grico, Joseph M. "Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism," *International Security*, Vol. 42, No. 3, Summer 1988.

Haas, Ernst B., "The Balance of Power: Prescription, Concept, or Propaganda?" *World Politics*, Vol. 5, No. 3, July 1953.

Haas, Peter M. "Introduction: Epistemic Communities and International Policy Coordination," *International Organisation*, Vol. 46, No. 1, Winter 1992.

305

Higgott, Richard and Richard Stubbs, "Competing Conceptions of Economic Regionalism: APEC Versus EAEC in the Asia Pacific", *Review of International Political Economy*, Vol. 2, No. 3, Summer 1995.

Hindly, Michael and James Bridge, "Disputed Islands," *Free China Review*, August 1994.

Hoong, Khong Kim and Abdul Razak Abdullah, "Security Cooperation in ASEAN," *Contemporary Southeast Asia*, Vol. 9, No. 2, 1987.

Hormats, Robert D. "Making Regionalism Safe," *Foreign Affairs*, Vol. 72, No. 3, March/April 1994.

Hsiung, James C. "China's Omni-Directional Diplomacy: Realignment to Cope with Monopolar US Power," *Asian Survey*, Vol. xxxv, No. 6, June 1995.

Huntington, Samuel P. "The US—Decline or Renewal? *Foreign Affairs*, Vol. 67, Winter 1988/89.

———————— "America's Changing Strategic Interests," *Survival*, Vol. 33, No. 1, January/ February, 1991.

———————— "Religion and the Third Wave," *The National Interest*, Vol. 24, Summer 1991

———————— "The Clash of Civilisations?" *Foreign Affairs*, Vol. 72 No. 2, Summer 1993.

Huxley, Tim, "Malaysia and Singapore: A Precarious Balances?" *The Pacific Review*, Vol. 4, No. 3, 1991.

Hyer, Eric, "The South China Sea Disputes: Implications of China   Earlier Territorial Settlements," *Pacific Affairs*, Vol. 68, No. 1, Spring 1995.

Jervis, Robert, "Cooperation Under the Security Dilemma," *World Politics*, Vol. xxx, No. 2, January 1978.

———————— " Realism, Game Theory, and Cooperation," *World Politics*, Vol. 40, No. 1, April 1988.

———————— "The Impact of the Korean War on the Cold War," *Journal of Conflict Resolution*, Vol. 24, No. 4, December 1980

———————— "The Future of World Politics: Will it resemble the past?" *International Security*, Vol. 16, No. 2, Winter 1991-1992.

Jorgensen-Dahl, Arnfinn, "The Significance of ASEAN," *World Review,* Vol. 19, No. 3, August 1980.

Kao, Charng, "Economic Interdependence Between Taiwan and Mainland China," *Issues and Studies*, Vol. 29, No. 4, April 1993.

Kapur, Devesh "The IMF: A cure or a Curse?" *Foreign Policy*, No. 11, Summer 1998.

Keohane, Robert O., "Reciprocity in international relations," *International Organisation*, Vol. 40, No. 1, Winter 1986.

Kegley, Jr., Charles W., "The Neoidealist Moment in International Studies? Realist Myths and the New International Realities," *International Studies Quarterly*, Vol. 37, 1993.

Khong, Yuen Foong, "Making Bricks Without Straw in the Asia Pacific? *The Pacific Review*, Vol. 10, No. 2, 1997.

Kim, Duk-Choong "Open Regionalism in the Pacific : A World of Trading Blocs," *United States Economic Review*, Vol. 64, No. 2, 1992.

Kindleberger, Charles p. "Dominance and Leadership in the International Economy: Exploitation, Public Goods, and Free Rides," *International Studies Quarterly*, Vol. 25, 1981.

Korhonen, Pekka, "The Theory of the Flying Geese Pattern of Development and its Interpretation," *Journal of Peace Research*, Vol. 31, No. 1, 1994.

Krasner, Stephen D., "Regimes and the limits of realism: regimes as autonomous variables", *International Organisation*, Vol. 36, No. 2, Spring 1982.

Kratochwil, Friedrich, "The Embarrassment of Changes: Neo-Realism as the Science of *Realpolitik* Without Politics," *Review of International Studies*, Vol. 19, No. 1, January 1993.

Kurus, Bilson, "Understanding ASEAN: Benefits and Raison d tre," *Asian Survey*, Vol. xxxiii, No. 8, August 1993.

Layne, Christopher, "Cant or Cant: The Myth of the Democratic Peace," *International Security*, Vol. 19, No. 2, Fall 1994.

Lebow, Richard Ned, "The Long Peace, the End of the Cold War, and the Failure of Realism," *International Organisation*, Vol. 48, No. 2, Spring 1994.

Lee, Lai To, "Domestic Changes in China Since the June Incident and Their Implications for Southeast Asia," *Contemporary Southeast* Asia, Vol. 13, No. 1, June 1991.

——————— "ASEAN-PRC Political and Security Cooperation: Problems, Proposals, and Prospects," *Asian Survey*, Vol. xxxiii, No. 11, November 1993.

Leifer, Michael, "Chinese Economic Reform and Security Policy: The South China Sea Connection," *Survival*, Vol. 37, No. 2, Summer 1995.

Lewis, John, "The Long Peace: Elements of Stability in the Postwar International System," *International Security*, Vol. 10, No. 1, Spring 1986.

Lin, Cheng-Yi, "Taiwan's Security Strategies in the Post-Cold War Era," *Issues and Studies*, Vol. 31, No. 4, April 1995.

Lin, Chong-Pin, " Red Fist: China's Army in Transition," *International Defence Review*, 2 / 1995.

Linda, Low, "The East Asian Economic Grouping", *The Pacific Review*, Vol. 4, No. 4, 1991.

Lipset, Seymour M. "Some Social Requisites of Democracy," *American Political Science Review*, Vol. 53, No. 2, 1959.

Liu, Philip, "Mixed Diagnosis for Mainland Fever," *Free China Review*, Vol. 43, No. 9, September 1993.

Ma, Ying-jeou, "The Republic of China's Policy Toward the Chinese Mainland," *Issues and Studies*, Vol. 28, No. 2, February 1992.

Mahbubani, Kishore, "The Pacific Way," *Foreign Affairs*, Vol. 74, No. 1, January / February, 1995.

Mak, J. N. "The ASEAN Naval build-up: Implications for the Regional Order," *The Pacific Review*, Vol. 8, No. 2, 1995.

Mansfield, Edward D. and Jack Snyder, "Democratisation and the Danger of War," *International Security*, Vol. 20, No. 1, Summer 1995.

Maoz, Zeev and Bruce Russett, "Normative and Structural Causes of Democratic Peace, 1946-1986," *American Political Science Review*, Vol. 87, No. 3, September 1993.

Mearsheimer, John J., "Back to the Future: Instability in Europe After the Cold War," *International Security*, Vol. 15, No. 1, Summer 1990.

Milner, Helen, "International Theories of Co-operation Among Nations: Strengths and Weaknesses," *World Politics*, Vol. 44, No. 3, April 1992.

Mochtar, Kusuma-Atmadja, "Some Thoughts on ASEAN Security Co-operation: An Indonesian Perspective," *Contemporary Southeast Asia*, Vol. 12, December 1990.

Moody, Jr, Peter R. "Asian Values," *Journal of International Affairs*, Vol. 50, No. 3, Summer 1996.

Mutalib, Hussin, "At Thirty, ASEAN Looks to Challenges in the New Millennium," *Contemporary Southeast Asia*, Vol. 19, No. 1, June 1997.

Muzaffar, Chandra, "APEC serves interests of US more than others," *New Straits Times*, 29 July 1993.

Nye, Jr., Joseph S. "Neorealism and Neoliberalism," *World Politics*, Vol. 40, No. 2, January 1988.

Ok, Tae Hwan, "The Process of South-North Dialogue and Perspective for Unification of Korea," *The Korea Journal of National Unification*, Seoul: Research Institute for National Unification, RINU, Vol. 1, 1992.

Owen, John M. "How Liberalism Produces Democratic Peace," *International Security*, Vol. 19, No. 2, Fall 1994.

Padelford, Norman J. "Regional Organisation and the United Nations", *International Organisation*, Vol. viii, May 1954.

Paribatra, Sukhumbhand, "From ASEAN Six to ASEAN Ten: Issues and Prospects," *Contemporary Southeast Asia*, Vol. 16, No. 3, December 1994.

Pye, Lucian, "The Concept of Political development," *The Annals of the American Academy of Political and Social Science*, Vol. 358, March 1965.

Ralph A. Cossa, "US Foreign Policy in Asia: Churchill was Right!" *Strategic Review* Winter 1995, p. 77.

Roy, Denny, "Assessing the Asia-Pacific 'Power Vacuum'," *Survival*, Vol. 37, No. 3, Autumn 1995.

Ruggie, John G., " Continuity and Transformation in the World Polity: Toward a Neorealist Synthesis," *World Politics*, Vol. XXXV, No. 2, January 1983.

——————— "Multilateralism: the Anatomy of an Institution," *International Organisation*, Vol. 46, No. 3, Summer 1992.

———————— "The False Premise of Realism," *International Security*, Vol. 20, No. 1, Summer 1995.

Russett, Bruce M. "The Mysterious case of Vanishing Hegemony; or Is Mark Twain Really Dead?" *International Organisation* Vol. 39, No. 2, Spring 1985.

———————— "Can a Democratic Peace Be Built?" *International Interactions*, Vol. 18, No. 3, 1993.

Scalapino, Robert A. "The United States and Asia: Future Prospects," *Foreign Affairs*, Vol. 70, No. 5, Winter 1991-92.

Schweller, Randall L. "Domestic Structure and Preventive War: Are Democracies More Pacific?" *World Politics*, Vol. 44, No. 2, January 1992.

Schultz, Charles L., "The Economic content of National Security Policy," *Foreign Affairs*, Vol. 51, No. 3, 1973.

Segal, Gerald, "Managing New Arms Races in the Asia/Pacific," *Washington Quarterly*, Summer 1992.

———————— "Tying China into the International System," *Survival*, Vol. 37, No. 2, Summer 1995.

———————— "Constraintment of China," *International Security*, Vol. 20, No. 4, Spring 1996.

Shambaugh, David, "Growing Strong: China   Challenge to Asian Security," *Survival*, Vol. 36, No. 2, Summer 1994.

———————— "Thinking the Unthinkable", *Free China Review*, Vol. 46, No. 3, June 1996.

Schmidt, Helmut, "Lessons of the German Reunification for Korea," *Security Dialogue*, Vol. 24, No. 44, December 1993.

Sharma, Shalendra D., "Asia's Economic Crisis and the IMF," *Survival*, Vol. 40, No. 2, Summer 1998.

Simon, Sheldon, "The Regionalisation of Defence in Southeast Asia," *The Pacific Review*, Vol. 5, No. 2, 1992.

Snyder, Glenn H., "The Security Dilemma in Alliance Politics," *World Politics*, Vol. 36, No. 2, July 1984.

Soesastro, Hadi, "ASEAN and APEC: Do Concentric Circles Work?" *The Pacific Review*, Vol. 8, No. 3, 1995

Stein, Arthur A., "Co-ordination and Collaboration: Regimes in an Anarchic World," *International Organisation*, Vol. 36, No. 2, Spring 1982.

Stubbs, Richard "Subregional Security Co-operation in ASEAN," *Asian Survey*, Vol. XXXII, No. 5, May 1992.

Suryadinata, Leo, "Indonesia-Vietnam Relations Under Soeharto," *Contemporary Southeast Asia*, Vol. 13, No. 1, March 1991.

Tien, Hung-mao and Yun-han Chu, "Building Democracy in Taiwan," *The China Quarterly*, No. 148, December 1996.

Tuan, Hoang Anh, "Vietnam's Membership in ASEAN: Economic, Political and Security Implications," *Contemporary Southeast Asia*, Vol. 16, No. 3, December 1994.

Ullman, Richard H., "Redefining Security," *International Security*, Vol. 8, No. 1, Summer 1983.

Waltz, Kenneth N., "The Emerging Structure of International Politics," *International Security*, Vol. 18, No. 2, Fall 1993.

—————— "Evaluating Theories," *American Political Science Review*, Vol. 91, No. 4, December 1997.

Wang, Shu, "Study thoroughly the Global Competition for Economic Power-Grasp the Foundation of Changes in the International Situation," *Liaowang*, 9 April 1992.

Wendt, Alexander, "Agent-Structure Problem in International Relations Theory," *International Organisation*, Vol. 41, No. , Summer 1987.

—————— "Collective Identity Formation and the International State," *American Political Science Review*, Vol. 88, No. 2, June 1994.

Yahuda, Michael, "The International Standing of the Republic of China on Taiwan," *The China Quarterly*, No. 148, December 1996.

Young, Oran R. "Interdependencies in World Politics," *International Journal*, Vol. 24, Autumn 1989.

Zartman, I. Williams, "Negotiation as a Joint Decision-making Process," *Journal of Conflict Resolution*, Vol. XXXI, No. 4, December 1977.

BOOKS

Adler, Emanuel and Beverly Crawford, eds., *Progress in Postwar International Relations*, New York: Columbia University Press, 1991.

Anderson, Benedict, *Imagined Communities: Reflexions on the Origin and Spread of Nationalism,* New York: Verso, Revised Edition, 1991.

Anderson, Malcolm, *Frontiers: Territory and State Formation in the Modern World,* Oxford: Polity Press, 1996.

Aron, Raymond, *Peace and War: A Theory of International Relations*, Translated by Richard Howard and Allnette Baker Fox, Malabar Florida: Doubleday & Company, 1966.

Ashley, Richard K. *The Political Economy of War and Peace: The Sino-Soviet-American Triangle and Modern Security Problematique*, London: Frances Pinter, 1980.

Axelrod, Robert, *The Evolution of Co-operation*, New York: Basic Book, 1984.

——————— *The Complexity of Co-operation: Agent-Based Models of Competition and Collaboration*, New Jersey, N. Y.: Princeton University Press, 1997.

Ayoob, Mohammed, ed., *Regional Security in the Third World: Case Studies from Southeast Asia and the Middle East*, London & Sydney: Croom Helm, 1986.

Azar, Edward E. and John W. Burton, eds., *International Conflict Resolution*, Boulder CO: Lynne Rienner, 1986.

Baldwin, David A, ed., *Neorealism and Neoliberalism: the Contemporary Debate*, New York: Columbia University Press, 1993.

Ball, Desmond, ed., *The Transformation of Security in the Asia/Pacific Region*, London: Frank Cass, 1996.

Bergsten, C. F. and M. Noland, eds., *Pacific Dynamism and the International Economic System*, Washington DC: Institute for International Economics, 1993.

Bienen, Henry, ed., *Power, Economics and Security: The United States and Japan in Focus*, Boulder Co: Westview, 1992.

Booth, Ken and Steve Smith, eds., *International Relations Theory Today*, Cambridge: Polity Press, 1995.

——————— ed., *New Thinking About Strategy and International Security*, London: Harper Collins, 1991.

Boulding, Kenneth E. *The World as a Total System*, Beverly Hills: Sage Publications, 1985.

Brams, Steven, *Superpower Games: Applying Game Theory to Superpower Conflict*, New Haven : Yale University Press, 1985.

Brian L. Job, ed., *The Insecurity Dilemma: National Security of Third World States*, Boulder & London: Lynne Rienner Publishers, 1992.

Brown, Seyom, *International Relations in a Changing Global System: Toward a Theory of the World Polity*, Boulder, CO: Westview Press, 1992.

Brown, Michael E. Sean M. Lynn-Jones and Steven E. Miller, eds., *Debating the Democratic Peace*, London: MIT Press, 1996.

Bull, Hedley *The Anarchical Society: A Study of Order in World Politics*, London: Macmillan Press 2nd ed., 1995.

Buzan, Barry, *An Introduction to Strategic Studies: Military Technology and International Relations*, London: Macmillan, 1987.

Camroux, David, *Looking East and Defining Inwards: Malaysia as a Self Conscious Middle Power During the Mahathir Era, 1981-93*, Brisbane: Griffith University, Centre for the Study of Australian Asian Relations, 1993.

Carr, E. H. *The Twenty Years' Crisis 1919-1939: An Introduction to the Study of International Relations*, London: Macmillan Press, 1939

Chan, Heng Chee, ed., *The New Asia-Pacific Order*, Singapore: ISEAS, 1997.

Chang, Parris H. and Martin L. Lasater, eds., *If China Crosses the Taiwan Strait: The International Response*, Lanham, MD: University Press of America, 1993.

Chia, Siow Yue and Marcello Pacini, *ASEAN in the New Asia: Issues and Trends*, Singapore: ISEAS, 1997.

Chiu, Hungdah, *China and the Question of Taiwan*, New York: Praeger, 1973.

Claude, Jr., Inis L., *Power and International Relations*, New York: Random House, 1962.

Clough, Ralph N. *Island China*, Cambridge: Harvard University Press, 1978.

—————— *Reaching Across the Taiwan Strait: People-to-People Diplomacy*, Boulder: Westview Press, 1993.

Dahm, B. and W. Draguhn, eds., *Politics, Society and Economy in the ASEAN States*, Wiesbaden: Harrossowitz, 1975.

Deutsch, Karl et. al., *Political Community in the North Atlantic Area*, New Jersey: Princeton University Press, 1957.

——————— *Political Community At the International Level: Problems of Definition and Measurement*, New York: Boubleday and Company, 1954.

Diamond, Larry, Juan J. Linz, and Seymour Martin Lipset, eds., *Democracy in Developing Countries*, Vol. 3, Asia, Boulder, Co: Lynne Rienner Publisher, 1989.

———————, Marc F. Plattner, Yun-han Chu, and Hung-mao Tien, eds., *Consolidation the Third Wave Democracies: Regional Challenges*, Baltimore and London: the John Hopkings University Press, 1997.

——————— and Marks Gary, *Reexamining Democracy: Essays in Honor of Seymour Martin Lipset*, Newbury Park, CA: Sage, 1992.

Dibb, Paul, *The Future of Australia   Relationship With The United States*, Sydney: The Australian Centre for American Studies, 1993.

Dougherty, James E. and Robert L. Pfaltzgraff, Jr., *Contending Theories of International Relations: A Comprehensive Survey*, New York: Harper Collins, 1990.

Downen, Robert, *The Taiwan Pawn in the China Game: Congress to Rescue*, Washington, D.C: CSIS, 1979.

Easton, David, *A Framework for Political analysis*, Englewood Cliffs, N. J.: Prentice-Hall, 1965.

Evans, Gareth, *Co-operating for Peace: The Global Agenda for the 1990s and Beyond*, St Leonards: Allen & Unwin, NSW 1993.

Evans, Paul M, ed., *Studying Asia Pacific Security*, Toronto and Jakarta: University of Toronto-York University Joint Centre for Asia Pacific Studies and Centre for Strategic and International Studies, 1994.

Fawcett, Louise and Andrew Hurrell, eds., *Regionalism in World Politics: Regional Organisation and International Order*, Oxford: Oxford University Press, 1995.

Findlay, Trevor, South-East Asia and the New Asia-Pacific Security Dialogue, *SIPRI, Yearbook*, 1994.

Frost, Frank, "Introduction: ASEAN since 1967—Origins, Evolution and Recent Development," Alison Broinowski, ed., *ASEAN into the 1990s*, London: Macmillan Press, 1990.

Fukuyama, Francis, *The End of History and the Last Man*, London: Penguin Books, 1992.

Gamble, Andrew and Anthony Payne, eds., *Regionalism & World Order*, London: Macmillan Press, 1996.

Gerth, H. and Mills C. Wright, eds., *From Max to Weber*, London: Routledge, 1991.

Giddens, Anthony, *The Nation-State and Violence*, Cambridge: Polity Press, 1985.

Gill, Ranjit, *ASEAN: Towards the 21st Century*, London: ASEAN Academic Press, 1997.

Grant, Richard, ed., China and Southeast Asia into the Twenty-First Century, Washington: CSIS, 1993.

Green, Donald and Ian Shapiro, *Pathologies of Rational Choice Theory: A Critique of Applications in Political Science*, New Haven: Yale University Press, 1994.

Greenstein F. and N. Polsby, eds., *Handbook of Political Science*, Reading, Mass: Addison-Wesley, 1975.

Grimmett, Richard F. *Conventional Arms Transfers to the Third World, 1984-1991*, Washington DC: Congressional Research Service, Library of Congress, July 20, 1992.

Haas, Ernst B. *Beyond the Nation-State: Functionalism and International Organisation*, Stanford:, Cal.: Stanford University Press, 1964.

Haas, Michael, *The Asian Way of Peace: A Story of Regional Co-operation*, New York: Praeger, 1989.

——————— ed., *Korean Reunification: Alternative Pathways*, New York: Praeger, 1989.

Hall, John and John G. Ikenberry, *The State*, Milton Keynes: Open University Press, 1989.

Hamilton, Edward K. , ed., *America   Global Interests*, New York: Norton, 1989.

Hao, Yufan and Guocang Huan, eds., *The Chinese View of the World*, New York: Pantheon Books, 1989

Harding, Harry, ed., *China Foreign Policy in the 1980s*, New Haven: Tale University. Press, 1984.

Hasenclever, Andreas, Peter Mayer and Volker Rittberger, *Theories of International Regimes*, Cambridge: Cambridge University Press, 1997.

Hawkesworth, Mary and Maurice Kogan, eds., *Encyclopaedia of Government and Politics*, Vol. 2, London: Routledge, 1992.

Herz, John H., *Political Realism and Political Idealism*, Chicago: University of Chicago Press, 1959.

Herz, John H., *International Politics in the Atomic Age*, New York: Columbia University Press, 1959.

Higgott, Richard, Richard Leaver, and John Ravenhill, eds., *Pacific Economic Relations in the 1990s: Co-operation or Conflict?* Sydney: Allen & Unwin, 1993.

Hoffman, John, *Beyond the State*, Oxford: Polity Press, 1995.

Hoffmann, Stanley *The State of War: Essays in the Theory and Practice of International Politics*, New York: Praeger, 1965.

Hollis, Martin and Steve Smith, *Explaining and Understanding International Relations*, Oxford: Claredon Press, 1991.

Holsti, K. J. *International Politics: A Framework for Analysis*, New Jersey: Prentice-Hall 1967.

——————— *Change in the International System: Essays on the Theory and Practice of International Relations* (Aldershot: Edward Elgar, 1991

Hsiung, James C. ed., *Asia Pacific in the New World Politics,* Boulder & London: Lynne Rienner Publishers, 1993.

Huntington, Sameul P. *The Third Wave: Democratisation in the late Twentieth Century*, Norman: University of Oklahoma, 1991.

——————— *The Clash of Civilisations and the Remaking of World Order*, New York: Simon and Schuster, 1996.

Islam, Iyanatul and Anis Chowdhury, *Asia-Pacific Economies: A Survey*, London and New York: Routledge, 1997

Indorf, Hans H. *Strategies for Small-State Survival*, Singapore: National University of Singapore, 1985.

316

Jackson, Karl D. and M. Hadi Sosastro, eds.., *ASEAN Security and Economic Development*, Berkeley: Institute of East Asian Studies, University of California, 1984.

Jervis, Rober, *Perception and Misperception in World Politics*, New Jersy: Princeton University Press, 1976.

Job, Brian L. ed., *The Insecurity Dilemma: National Security of Third World States*, Boulder, CO: Lynne Rienner, 1992.

Jones, David Martin, *Political Development in Pacific Asia*, Oxford: Polity Press, 1997.

Jordan, Amos A. and Jane Khanna, conomic Interdependence and Challenges to the Nation-State: The Emergence of Natural Economic Territories in the Asia-Pacific," *Journal of International Affairs*, Vol. 48, No. 2, Winter 1995.

Kaplan, Morton A., *System and Process in International Politics*, New York: John Wily & Sons, Inc., 1957.

Katzenstein, Peter J. ed., *The Culture of National Security: Norms and Identity in World Politics*, New York: Columbia University Press, 1996.

Kegley Jr. Charles W. and Eugene R. Wittkopf, eds., *The Global Agenda*, 3rd ed., New York: Mcgraw-Hill, 1992

————— and Gregory Raymond, *A Multipolar Peace? Great Power Politics in the Twenty-first Century*, New York: St. Martin Press, 1994.

————— ed., *Controversies in International Relations Theory: Realism and the Neoliberal Challenge*, New York: St. Martin Press, 1995.

Kemenade, Willem Van, *China, Hong, Taiwan, INC: The Dynamics of a New Empire*, London: Little, Brown and Company, 1998.

Keohane, Robert O., and Joseph S. Nye, *Power and Interdependence: World Politics in Transition*, Boston & Toronto: Little, Brown and Company, 1977.

————— After Hegemony: *Co-operation and Discord in the World Political Economy*, Princeton, NJ: Princeton University Press, 1984.

————— ed., *Neorealism and Its Critics*, New York: Columbia University Press, 1986.

————— *International Institutions and State Power*, Boulder, Colo.: Westview, 1989.

Kihl, Young Whan, ed., *Korea and the World Beyond the Cold War*, Boulder, Co: Westview Press, 1994.

Kim, Ilpyomg, ed., *The Strategic Triangle: China, the United States and the Soviet Union*, New York: Paragon House, 1987.

Kissinger, Henry A., *A World Restored: The Politics of Conservatism in a Revolutionary Age*, Boston: Houghton Mifflin, 1957.

——————— *Diplomacy*, New York: Simian & Schuster, 1994.

Klare, Michael T. and Daniel C. Thomas, eds., *World Security: Challenges for a New Century*, New York: ST. Martin Press, 1994.

Lamb, Alistair, *Asian Frontiers: Studies in a Continuing Problem*, London: Pall Mall Press, 1968.

Lasater, Martin L. *The Changing of the Guard: President Clinton and the Security of Taiwan*, Boulder: Westview Press, 1995.

Lebow, R. N., *Nuclear Crisis Management: A Dangerous Illusion*, Ithaca; NY: Cornell University Press, 1987.

Leifer, Michael, ed., *The Balance of Power in East Asia*, London: Macmillan Press, 1986.

——————— *ASEAN and the Security of South-East Asia*, London and New York: Routledge, 1989.

——————— *ASEAN Search for Regional Order*, Singapore: National University of Singapore, 1987.

——————— *Dictionary of the Modern Politics of South-East Asia*, London & New York: Routledge, 1995.

Long, Simon, *Taiwan: China's Last Frontier*, London: Macmillan Press, 1991.

Mack, Andrew and John Ravenhill, eds., *Pacific Co-operation: Building Economic and Security Regimes in the Asia-Pacific Region*, Sydney: Allen & Unwin.

Mandelbaum, Michael, *The Fate of Nations: The Search for National Security in the Nineteenth and Twentieth Centuries*, Cambridge: Cambridge University Press, 2nd ed., 1989.

Mansfield, Edward, *Power, Trade, and War*, Princeton, NJ: Princeton University Press, 1994.

Martin Wight, *Power Politics*, Harmondsworth: Penguin Books, 2nd ed.,1986.

McInnes, Colin and Mark G. Rolls, eds., *Post-Cold War Security Issues in the Asia-Pacific Region*, Newbury Park: Frank Cass, 1994.

Mclean, Iain, ed., *Oxford : Concise Dictionary of Politics*, Oxford: Oxford University Press, 1996.

McMurrin, Sterling, ed., *The Tanner Lectures on Human Values*, Vol. II, Salt Lake City: University of Utah Press, 1981.

Midlarsky, Manus I. , ed., *Inequality, Democracy, and Economic Development*, Cambridge: Cambridge University Press, 1997.

Morgenthau, Hans J. *Politics Among Nations: The Struggle for Power and Peace*, Revised by Kenneth W. Thompson, New York: Mcgraw-Hill, Inc. brief ed., 1985.

Morrow, James, *Game Theory for Political Scientists*, Princeton: Princeton University Press, 1994.

North, Robert C., *War, Survival: Global Politics and Conceptual Synthesis*, Boulder, CO: Westview Press, 1990.

Nye, Joseph S., (ed.), *International Regionalism*, Boston: Little, Brown and Company, 1968.

——————— and Robert O. Keohane, eds., *Transnational Relations and World Politics*, Cambridge: Harvard University Press, 1970.

——————— and Robert O. Keohane, eds., *Transnational Relations and World Politics*, Cambridge: Harvard University Press, 1970.

Oye, Kenneth A., *Co-operation Under Anarchy* (New Jersy: Princeton University Press, 1986.

Ozawa, Ichiro, *Blueprint for a New Japan: The Rethinking of a Nation*, Tokyo: Kondansha International, 1994.

Pathmanathan, M. *The Pacific Settlement of Disputes in Regional Organisation: A Comparative Perspective of the OAS, OAU and ASEAN*, Kuala Lumpur: University of Malaya, Faculty of Economics and Administration, 1978.

Peng, Pai-hsian, ed., *The Southward Policy and Taiwan's Economic Future*, (in Chinese) Taipei: New Society Foundation, 1995.

Poggi, Gianfranco *The Development of Modern State*, London: Hutchinson, 1978.

Pye, Lucian W., *Asian Power and Politics: The Cultural Dimensions of Authority*, Cambridge: Harvard University Press, 1985

Robinson, Richard, ed., *Pathways to Asia: The Politics of Engagement*, Sydney: Allen & Unwin, 1996.

Ross, Robert S., ed., *East Asia in Transition: Toward a New Regional Order*, Singapore: Institute of Southeast Asian Studies, 1995.

————— ed., *China, The United States, and the Soviet Union: Tripolarity and Policy Making in the Cold War* , New York & London: M. E. Sharp, 1993.

Roy, Denny, ed., *The New Security Agenda in the Asia-Pacific Region*, London: Macmillan Press, 1997.

Scalapino, Robert A. Seizaburo Sato, Jusuf Wanandi, and Sung-Joo Han, eds., *Asian Security Issues: Regional and Global*, Berkeley: Institute of East Asian Studies, 1988.

————— The Last Leninists: The Uncertain Future of Asia   Communist States, Washington, DC: Centre for Strategic and International Studies, 1992.

Segal, Gerald, ed., *The China Factor: Peking and the Superpowers*, London: Croom Helm, 1982.

Simon, Denis Fred and Michael Y. M. Kau, eds., *Taiwan: Beyond the Economic Miracle*, New York: M. E. Sharp, 1992.

————— and Hong Pyo Lee, eds., *Globalization and Regionalization of China Economy: Implications for the Pacific Rim and Korea*, Seoul: Sejong Institute, 1995.

Singer, J. D., ed., *In Explaining War: Selected Papers from the Correlates of War Project*, Beverly Hill, CA: Sage, 1979.

Smith, Steve, Ken Booth & Marysia Zalewski, eds., *International Theory: Positivism & Beyond* ,Cambridge: Cambridge University Press, 1996.

Snyder, Jack L. *Myths of Empire: Domestic Politics and International Ambition*, Ithaca, N.Y.: Cornell University Press, 1991.

So, Alvin Y. and Stephen W. K. Chiu, *East Asia: And the World Economy*, London: SAGA Publication, 1995.

Soedibyo, General,   hanging Superpower Policies: Questions for the ASEAN-An Indonesian Perspective," *IISS*, Vol. 4, No. 1, 1992,

Soesastro, Hadi, ed., *ASEAN in A Changed Regional and International Political Economy*, Jakarta: Centre for Strategic and International Studies, 1995.

Southeast Asia Year Books (Singapore: Institute of Southeast Asian Studies, 1976).

Thambipillai, Pushpa and J. Saravanamuttu, *ASEAN Negotiation: Two Insights*, Singapore: ISEAS 1985.

The Palme Commission on Disarmament and security Issues, *A World At Peace: Common Security in the Twenty-first Century*, Stockholm: The Palm Commission, 1989

Unger Danny and Paul Blackburn, eds., *Japan's Emerging Global Role*, Boulder and London: Lynne Rienner Publishers, 1993.

Walker, R. B. J., *Inside/ Outside: International Relations as Political Theory* Cambridge: Cambridge University Press, 1993.

Waltz, Kenneth N., *Theory of International Politics*, New York: McGraw-Hill, Inc. 1979.

———— *Man, the State, and the War: A Theoretical Analysis*, New York: Columbia University Press, 1954/1959.

Webster's Ninth New Collegiate Dictionary (Springfield, Mass: Merriam-Webster, 1988.

Weiss, Linda and John M. Hobson, *States and Economic Development: A Comparative Historical Analysis*, Oxford: Polity Press, 1995.

————— *The Myth of the Powerless State: Governing the Economy in a Global Agenda*, Cambridge: Polity Press, 1998.

Windass, Stan, ed., *Avoiding Nuclear War: Common Security as a Strategy for the Defence of the West*, London: Brassey , 1985.

Wolfers, Arnold, *Discord and Collaboration: Essays on International Politics*, Baltimore: John Hopkins University Press, 1962.

World Bank, *The East Asian Miracle: Economic Growth and Public Policy*, New York: Oxford University Press, 1993.

Woods, Ngaire, ed., *Explaining International Relations Since 1945*, Oxford: Oxford University Press, 1996.

321

Wright, Quincy, *A Study of War*, abridged by Louise Leonard Wright, Chicago: The University of Chicago Press, 1964.

Wrong, D. H. and H. L. Gracey, eds., *Reading in Introductory Sociology*, London: Collier-Macmillan 2nd ed., 1972.

Young, Oran R., *International Co-operation*, Ithaca, NY: Cornell University Press, 1989.

Ziegler, Charles E. *Foreign Policy and East Asia: Learning and adaptation in the Gorbachev Era*, Cambridge: Cambridge University Press, 1993.