

UNIVERSITI MALAYA



**POST-COLD WAR STRUCTURE
IN THE ASIA-PACIFIC REGION**

PROFESOR LEE POH PING

D860
Lee
1994

SYARAHAN PERDANA

POST-COLD WAR STRUCTURE IN THE ASIA-PACIFIC REGION

PERPUSTAKAAN UNIVERSITI MALAYA



A504936683

Inaugural Lecture by
Professor Lee Poh Ping

Perpustakaan Universiti Malaya



A505564198

5th, October 1994
8.15 pm

Science Auditorium
Institute of Advanced Studies
University of Malaya

Post-Cold War Structure in the Asia-Pacific Region

The bipolar structure that dominated the international relations in the Asia-Pacific region in the Cold War is no more. Where hitherto the Soviet Union constituted one of the two major protagonists, it has now been broken up into many states. Russia, the biggest of these states and generally perceived to be the successor state to the Soviet Union, has stopped promoting communism in the region. Economic reconstruction is now its primary aim. On the other hand, the United States, absent now the Soviet enemy and absorbed with strengthening its domestic economy, no longer possesses the will and the wherewithal to sustain its Cold War mission. What new security and economic structures will replace this bipolar one?

This is a question of no less interest to those in the corridors of power charged with ensuring the increase of their nations' gross national product and their sovereignty than to armchair theoreticians of academia inclined to speculate about new world orders. For indeed much of the economic prosperity and the security also of many of the nations of the Asia-Pacific region ride on the emergence of an order conducive to the maintenance of both. Thus, as befitting the subject's importance, there is no lack of answers or attempts at answers to this question. Out of such profusion, I have chosen to consider two that I consider to be the most important; and upon which examination of their strengths and weaknesses, I shall offer my own conception of what this new structure will (and could) be.

These two are the theories of economic interdependence and the balance of power. Both purport to explain the basic

trends in the international relations of the globe, and indeed of the Asia-Pacific region. While the literature on these two theories are much more sophisticated than what will be presented here, I will nevertheless focus primarily on the basic arguments found in such theories, and their applicability to the topic in question.

Adherents of the interdependence school contend that flows of trade and investment in the globe, including the Asia-Pacific region, have reached (and may continue to reach) such a high volume and quality that the interdependence they create will increasingly govern the relations among the states of the region. Nations will realise that they need to trade with, and in many cases to invest in, each other in order to prosper and survive. Such economic relations is not, to use a jargon, a zero-sum game whereby one nation's gain is the other nation's loss. Rather one nation's gain is also that other nation's gain as one nation's loss is also that other nation's loss. It is thus not conceivable nations will go to war in this interdependent world, as the costs of war will outweigh the benefits to the eventual victor.

Interdependence theorists point to the interaction of industrialised democracies as a good example, such as that between Japan and the United States. The comprehensive web of economic linkages, including direct and indirect investment, and trade make any break between both highly unlikely, and war between both very improbable. For if such were to happen, both will lose as much as they would gain. These theorists concede the argument by some that economic interdependence *per se* is no guarantee of peace, as shown in the case of 19th century Europe, where such interdependence did not prevent the European nations from slaughtering each other in World War I. But there is a crucial difference then in that interdependence was not of a strategic nature, unlike what obtains now in Western Europe and in the US-Japan relations. The necessary food and raw materials needed by the European powers then were not derived from each other but came

mainly from the less developed areas and colonies. Britain, the most important power then sought "to make its empire a unit largely independent of trade with the rest of the world."¹ Not so in US-Japan relations today, and for that matter in interaction among the nations of contemporary Western Europe. Their economic links are strategic links. What happens in the economy of Germany affects vitally that of France and the rest of Western Europe. One example is German interest rate which, if raised, would affect the recovery from recession of many of these European countries. Similarly, if the American market were to be closed to Japanese exports, the Japanese economy could be profoundly damaged. Few thus can imagine Japan going to war with the United States today over economic differences, anymore than one believes Germany will war with France to recover its lost territories.

While not without merit, the interdependence school however does not take into account the subjective element. What may objectively be a case of genuine interdependence to one party may be perceived by the other to be domination, or to use a jargon, be seen as asymmetrical rather than symmetrical interdependence. This could happen when cultural differences exist between both or when one party is so used to being in a dominant position that it finds it difficult to tolerate an equal or superior position by the other. The US-Japan relations is a good case in point. One would not for example consider the United States, the mightiest economic power in the world to be more dependent on Japan than the other way round. Yet only a few years ago, when Japan was performing spectacularly well in the economic arena, there was no lack of voices in America warning of America being overrun by a Japanese economic juggernaut. There was even talk of California turning into a prefecture of Japan! It is quite possible had such emotionalism not been checked it could have led to the unravelling of economic relations that might be from an objective standpoint mutually beneficial. Fortunately that did not happen when what may be called the Japanese and American

establishments took steps to play the Japanese threat down. Such subjectivity underscores the need for some non-economic grouping, be it the governments of both countries or whatever, to manage this economic interdependence.

It is however in the two other levels of interaction, or lack of interaction, that the interdependence school is less convincing in explaining stability of interaction among states. One level is in the relations between the economic powerhouses with the more prosperous developing countries of the region. Take, for example, Japanese relations with ASEAN, where in matters of trade and investment, ASEAN is so much more dependent on Japan than the other way around. As an example, the percentage of Japan-ASEAN trade of total ASEAN trade in the past 25 years or so is well over 20%, touching nearly 30% at one stage while it is about 12% the other way round. A disruption of this trade will thus affect ASEAN far more than Japan. While ASEAN has so far accepted such asymmetrical interdependence as a necessary stage towards its industrialization, relations have not always been so stable (as exemplified by the riots in Jakarta and Bangkok against the visit of Tanaka, the then Japanese PM to ASEAN countries in 1974), and may deteriorate if such asymmetry is perceived to be a permanent condition.

But where the interdependence school is at its weakest is precisely where interdependence is at the least, and that is in the other level of relations between those little touched by interaction with the more prosperous nations of the Asia-Pacific region. Even assuming that interdependence in itself does conduce to stability, the command (or former command) economies of Myanmar, Indochina, North Korea, the non-coastal areas of China and the Russian Far East enjoy, if any, tenuous links with the other more prosperous states of the Asia-Pacific region. If these states and areas continue to be impoverished as a result of their relative lack of integration with the Asia-Pacific economy, they could revert to militant regimes that may be inimical to a stable Asia-Pacific region.

We need not have to wait in some cases. North Korea now threatens to develop nuclear weapons and missiles and is willing to heighten tension in Northeast Asia, even to the extent of provoking war, probably because it feels it has nothing to lose, given its isolation from the prosperous Asia-Pacific economy.

In short, for interdependence to work, there should be a hegemon to ensure that the interdependent nations are playing by the rules of the game, subjective perception notwithstanding, and to deploy the power to ensure that these rules are not disrupted by others. The United States was one such power during the Cold War. It is now however evincing a deep reluctance to continue being the sole power propping up the Asia-Pacific international order. Atlas is shrugging, and no clear power structure has emerged to replace this Atlas.

And it is here, one should consider the other theory which comes to grips with the element of power not much considered by the interdependence school, the theory of the balance of power. This theory it is claimed has been practised for many centuries, though the modern form began in the seventeenth century in Europe with Cardinal Richilieu when he introduced the concept of *raison d'etat*, or reason of state against the universalism of those seeking to reimpose the Holy Roman Empire. So widely practised and invoked is this theory that, among other things, it has been used both to describe the actual reality of international relations, and as a guide to policy makers. It is in the latter sense this theory is here considered.

The prime advocate is Henry Kissinger. In urging the United States to adopt this policy of balance of power to the Asia-Pacific region and elsewhere, Kissinger emphasizes two basic elements in its implementation. The United States should first base its foreign policy on the maximization of its national interests and not so much on deals, be they the pursuit of collective security, human rights and democracy or whatever. Second, the United States should seek a balance among the

relevant powers in the Asia-Pacific region, and much like Great Britain in nineteenth century Europe, ensures that no one power dominates the Asian region, as it would be strategically dangerous to the United States. Such a power would, in Kissinger's own words, "have the capacity to outstrip America economically and, in the end, militarily. That danger would have to be resisted even were the dominant power apparently benevolent, for if the intentions ever changed, America would find itself with a grossly diminished capacity to shape events".² In other words, the United States should be the "holder" of the balance. If any power or a combination of powers prove too preponderant for the others, the United States should put its weight to that other power in order to restore the balance. Or, if not, take steps to cut that rising dominant power to size.

Not irrelevant is Kissinger's observation that the practice of the balance of power beginning with the Congress of Vienna in 1815, brought a century of peace to Europe. Except for the Crimean War of 1854, there was no general war until WW 1 in 1914. The implication is that both situations (Europe and the Asia-Pacific) are not uncomparable. The statesmen in Vienna believed that Europe was exhausted by the Napoleonic Wars over the spread of revolutionary ideals and that the peace of the continent could best be achieved not by any further appeals to ideology or other forms of ideals but by balancing power. By the same token, the communist powers of China and Russia and the United States may also be exhausted by their battle over ideology, and are now susceptible to purely power calculations.

But just as the interdependence theory takes little account of the element of power, the balance of power pays little heed to economic interdependence. The fact of today's economically interdependent world together with the fact that power is increasingly defined in economic terms, makes it difficult for the United States, for example, to be the holder of the balance in the Asia-Pacific region. Take Japanese and American economic intertwining. If in some future date Japan's power rises

to the point of threatening the balance, the United States, if it is not expedient to put its weight to the other side, would have to resort to cutting Japan down to maintain the balance. Yet as a very strong element of rising Japanese power will be economic in nature, can the United States reduce this economic strength without hurting itself. Consider that of Japanese motor car transplants such as Toyota and Honda in the United States. While they are Japanese owned, they employ many Americans and have spill over effects to the local economies in which they are situated. To reduce Japan's economic strength, the United States may have to close down such transplants; but doing so also hurt the United States as much as Japan.

It is also open to question whether, given the different power capacities of the relevant actors, a balance can be that easily achieved. Kissinger himself states that calculations of balance are a very complex exercise. He writes this of a period before economic power became increasingly important in international affairs. If it was so complex with conventional calculations of military strength, how much more so when economic strength has to be taken into account. It is common knowledge that for the moment Japan does not matter much as a military power because of Japanese constitutional inhibition on offensive deployment of its military, and the as yet full development of its military capacity. But it is nevertheless an economic superpower. How then does Japan relate to a power balance when it cannot deploy troops offensively and is dependent on another power (the United States) for its protection? Or consider Russia, which possesses a great military capacity and a big nuclear arsenal, but economically is in shambles. Is its influence on the power balance greater or less than Japan? Moreover, of all four, only the United States is a complete superpower in that it possesses military, political and economic strength while China is a rising superpower. The United States can act in the economic, military and political spheres, Japan only in the economic arena. Russia,

if it takes an interest, matters only militarily. China can act militarily and economically to some extent. No such diffusion of power occurred in 19th century Europe where military strength constituted the prime definition of power. Modern Metternichs and Bismarcks thus will have their minds fully stretched to the limit to work out a balance in such a situation. And where, one may ask, are the modern Metternichs and Bismarcks? The Japanese leaders are pusillanimous as to their international role; the president of the US cares only about domestic affairs; and the Chinese leaders are worried primarily about economic development and the post-Deng succession.

There is also the nature of the states involved. Russia and China are no longer revolutionary states in that they have basically given up the mission of spreading communism worldwide. Japan obviously has no ideology of any kind. "Economism", not evangelism is its primary goal. Hence, these three states can be considered to a great extent traditional (though Russia in some future date may revert to old missions like Pan Slavism and so on), or non-ideological states that are susceptible to balance of power considerations. Not so the US. The United States considers itself exceptional from other states in that it is a state conceived in liberty. It is in essence, we are told though others think it mere sanctimony, an evangelical state that has as its primary aim the spreading of democracy and human rights throughout the world. Exhaustion from its Cold War mission notwithstanding, it can no more cast off moral considerations from its foreign relations than it can cast off its own skin. Any balance of power policy is therefore inimical to this idealistic American tradition. Now for a balance of power to work, a big power, particularly one as big as the United States, cannot inject "irrational" considerations like human rights and democracy to the calculations of balance, anymore than China and Russia, as they did in the Cold War, could make it work by pushing revolutionary ideals like communism. This can be seen in the Clinton administration's insistence on linking MFN for China with human rights (only

dropped recently) which made dialogue then between the two very difficult. Without such dialogue that allows for rational consideration of the national interest of all the powers concerned, the balance cannot be achieved. This is not to say morality is not important for the success of a balance. But it is a morality of shared values, of what the relevant powers agree as to what the rules of the game should be; and in this the United States does not seem to be playing by the rules others adopt. It may be ultimately that the logic of the balance will triumph, that whatever "idealistic" approach the United States insists on taking will ultimately give way to power considerations (as Clinton's delinking of the MFN for China and human rights will indicate). Or that human rights and democracy will not be "irrational" but constitute the shared values of all the relevant powers. Such adjustment if it comes however will take time.

What then will the post-Cold War Asia-Pacific structure be like if both the interdependence and the balance of power approaches do not satisfactorily describe it? Probably not one that can fit well into one all embracing theory.

In the first place, an overarching security organization like the North Atlantic Treaty Organization or NATO is unlikely to be established. NATO developed from a shared perception on the part of its members of a common Soviet threat. Moreover, no fundamental political problems with each other affect the NATO members. Not so in the Asia-Pacific region where there exists territorial problems such as the Spratlys in the South China Sea, the Northern Territorial dispute between Russia and Japan, the conflict of the two Chinas and so on; and also historical distrust arising from Japanese imperialism before the war such as between China and Japan; and Japan and Korea. Such problems have yet to be overcome. Even during the Cold War, there was no one comprehensive Asia-Pacific security structure against communism. There were in fact a series of bilateral agreements between the United States and some Asian countries. The multilateral structures that exist then such as

the Southeast Asian Treaty Organization (SEATO) and the Five Power Defence Agreement (FPDA) were confined to a particular area, basically Southeast Asia, and had members from outside the Asia-Pacific region. One of the five powers for example was Great Britain.

Nor is any continent transcending economic organization of the European Union (EU) variety likely to emerge. The European Union could succeed because of the common cultural background of its members. And despite a North-South division of the richer northern European states and the poorer southern states of Spain, Portugal, Ireland and Greece, this division is not too great as to prevent common economic action. The Asia-Pacific region on the other hand is a vast area consisting of nations of diverse cultural backgrounds, and great differences in the stages of economic development. Such differences have to be overcome for anything approaching even a less advanced stage of intergration like a free trade agreement, let alone a European Union type grouping. One such attempt at a comprehensive structure, the Asia Pacific Economic Cooperation APEC, is a long way from any free trade structure.

What is likely to emerge therefore will be a complex structure of overlapping alliances and groupings that have economic and security functions. On the economic side, the grouping may be classified into three types. The first may be called a supra regional grouping. Essentially, such a grouping consists of countries having an economic agreement with another and revolving around one or two economic powerhouses. Global examples are the European Union and the North American Free Trade Agreement. The Asia-Pacific counterparts are the Asia-Pacific Economic Agreement and the East Asian Economic Caucus (EAEC). A second, which maybe called middle regional grouping consists of grouping of countries with not one economic powerhouse standing out, even if one may claim a more advanced stage of development than the other. Examples are the Thai Baht Zone of Thailand, Myanmar, the

Indochinese countries and Yunnan in China, and the ASEAN Free Trade Agreement (AFTA). Sub-regional groupings constitute the third. Essentially, they consist of states or provinces or parts of countries which are contiguous to each other but which enjoy the economics of comparative advantage. They constitute what a scholar calls natural economic territories. Examples are Singapore, Johore-Riau Growth Triangle (Sijori); Taiwan and Hongkong with southern China; Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT); the Tumen grouping in Northeast Asia; and so on. Many of these three groupings have got off the ground while some are only making haste slowly or are in the proposal stage. It has to be added that these groupings will not completely displace global multilateral groupings such as are based on the Uruguay Round and so on, and the state as economic actors in the Asia-Pacific region. Rather they will co-exist uneasily with the two. A detailed analysis of this uneasy relationship is of course very important but is beyond the scope of this lecture.

Increasingly evident however is that the durability of such groupings rests on a common cultural or historical background. However "natural" the objective factors may tend towards economic cooperation, such cooperation is better achieved if such countries share common values about the management of economic affairs or have some experience of working together before. This can be seen by two of the more successful triangles. The Hongkong-Taiwan-South China triangle, probably the most successful, is a striking example of the former. Not only are the people there culturally similar but they also emanate from the same racial stock and historically were part of one nation. Sijori is an example of example of the latter. The Singapore-Johore-Riau Islands complex was part of a flourishing area in the nineteenth century based on the trading and cultivation of gambier and pepper. While the modern circumstances differ in that present economic activities are based more on manufacturing, tourism and so on rather than on commercial agriculture, the people in Sijori nevertheless

enjoy the same factors of conducive proximity, experience of dealing with one another and with outside markets and so on that they had developed in the past, even if such a common historical past is manifested more in deed than in word. Also with a chance to succeed is the IMT-GT which is perceived by some to be a revival of the historic trading links that had involved the areas around the northern part of the Straits of Malacca.

So with supra regional groupings. The EAEC has not got off the ground primarily because of Japanese reluctance to join, reportedly as a result of American opposition. If the EAEC does take off it could have a common cultural basis in a rising Asian consciousness. East and Southeast Asia is of course much more culturally diverse than Europe and in so far as there is a collective consciousness, it is externally defined. Yet rising economic development, the awareness of a shared community-oriented philosophy as distinct from the western emphasis on individualism, a consensual approach to the resolution of problems and so on have made many East and Southeast Asians increasingly aware they have a common Asian cultural identity.

If the EAEC presumes to be a cultural grouping searching for an economic framework, then APEC is an economic framework searching for a common culture. APEC members indeed come from diverse cultures, the chief two of which are Western and Confucian. If Huntington is to be believed, both cultures are potentially antagonistic, if not handled properly. Is APEC then fated to be a economic grouping that is a response to the exigencies of international economic developments in the Asia-Pacific region, but would not last long as a meaningful entity because it lacks a common cultural base? There are many who say no. Some of these point to a possible Asian-influenced grouping that includes the West Coast of North America, some of the cities of Australia and the sinicized and other East Asianised areas of Asia. Others argue that America has or should have claims to involvement in

Asia. The former American Secretary of State, James Baker, points to the more than seven million Americans of Asian descent as justification. Yet others believe America is increasingly Asianised, and urge that in the third century of America's existence as a nation, it should not allow its European roots to cloud the fact that America's future is with Asia. All such justifications however are at best only partially convincing. The United States is not its West Coast only, even assuming, not necessarily a valid assumption, that this coast is dominated by Asian influence. Nor is seven million a very big percentage of a population of 250 million, even if this seven million may develop to be an influential group. And while Asianization as a theme for America may be acceptable in some parts of the West Coast it will not be with mainstream America. As the saying goes, it may play in San Francisco but it won't play in Peoria, Illinois.

What may ultimately make APEC succeed however is if there is a convergence of an Asian communitarian spirit and a western type individualism. What is really at issue is not whether there is an Asianization of America or an Americanization of Asia but what system can best manage a twenty-first century society or international society. It is increasingly clear that this system will neither be a rigid Confucian type nor one of untrammelled individualism arising from Western society at its worst. Rather it has to be a combination of both, involving a democratic order that does not totally sacrifice community interest for individualism. East Asian societies are not without the tradition of resistance against unjust rulers while America of an earlier age was more than a society of 250 million egos or whatever the population then. The fact that many East Asian societies are turning democratic and many Americans are aware of the need for cooperative endeavour (President Clinton spoke earlier of a communitarian vision for America) suggests a convergence of both is possible.

Security Groupings

As to the security structure, it will consist of overlapping alliances and groupings brought about by bilateral and multi-lateral agreements. Of the former, the most important are the defence treaties the United States has with Japan and the Republic of Korea, and other defence arrangements it has with countries such as Singapore and Thailand. Other bilateral military agreements consist of those effected by some of the ASEAN countries with each other. The latter includes the Five Power Defence Agreement (FPDA) of Malaysia, Singapore, New Zealand, Australia and Britain, and the recently launched ASEAN Regional Forum (ARF); and also include ad hoc meetings, official or otherwise, to deal with specific not covered by the others. An example is the Indonesian-sponsored non-governmental meeting a few years ago on the Spratlys.

It has to be said that a multilateral forum like the ARF is still in its infancy while the FPDA is confined to the limited area of Malaysia and Singapore. Hence, the bilateral agreements enacted by the United States still remain the most important. The crucial bilateral treaties such as those with Japan and Korea had constituted the basic defence framework during the Cold War. With the end of the Cold War, however, many have questioned the continued validity of these bilateral agreements, if not actually call for their abolition. Many Americans, for example question the need for their continuation when no common enemy now exists, and in a voice not so *sotto voce* ask why America should spend its treasure to defend Asian countries that could be a threat to America economically.

Others, many of them Asians, stress their importance to maintaining the stability of the Asia-Pacific region. They believe the costs of maintaining American bases in Japan and Korea could be greatly subsidised by the host countries (as they are doing now). Moreover the region, they argue, is very

important to the economic health of the United States. An American withdrawal, particularly if it is precipitate one, could destabilize the region with adverse consequences on the economies of both the region and United States. Thus, the bilateral agreements serve US interests as well as others, and could generate the goodwill which could aid American economic interests in the area.

Whatever the pros and cons, such treaties, barring some cataclysmic developments, are likely to continue as a transitional phase to perhaps multilateral agreements where the US contribution may be deemed as not too onerous by the Americans themselves.

As if this classification of groupings within their respective economic and security spheres is not enough to suggest the complexity of this post-Cold War Asia-Pacific structure, this complexity is further compounded by the nature of the interaction with each other in their own sphere, be it economic or security; and then across the other.

Thus, in the economic sphere, members of sub-regional groups such as Sijori (Malaysia, Singapore and Indonesia) are also members of larger groupings like AFTA, the proposed EAEC and APEC though they are not members of the Thai Baht Zone and the Southern Chinese Growth area. Non-membership of other groupings may not matter much here but, that may not be the case for others. For example, the proposed EAEC does not include Australia, New Zealand, Canada and the United States.

Australia for example would be greatly affected by this non-membership as so much of its trade is with the proposed countries of the EAEC. Complicating the picture further is a proposal for NAFTA to develop links with certain Asia-Pacific countries because overlapping membership or otherwise most of these will have some effect on each other.

Similarly in the security arena, the bilateral agreement between Japan and United States has a profound influence on the security of the region. Yet the rest of the region are not

members. By the same token what happens to the security of Southeast Asia affects Japan. Yet Japan is not a party to any defence arrangement there.

And of security organizations affecting economic ones and vice versa, the bilateral US-Japan defence agreement for example, most surely would influence the region's economy. If it were abrogated, APEC would be drastically affected while the EAEC would likely become a reality. Conversely, if APEC does not succeed or if EAEC succeeds, either, but particularly the latter, will influence negatively American thinking on its defence agreement with Japan.

Is the alternative to the bipolar structure then one of various groupings going into different directions as to cause confusion, if not instability, that may arise from such grouping colliding rather than cooperating with each other? The answer is yes and so. Yes, in the sense that the trends in the international economy and security are such that such complexity cannot easily be avoided. No, in that all these can be held together by a big power or a group of big powers. That big power is obviously the United States and the group of other big powers are Japan, China and possibly Russia. Yet given the fact that the United States has as yet an unclear idea what its Asia-Pacific role today should be, and, as mentioned, also the United States and the others are still to find a balance, the stage is set for some others such as the smaller powers and entities to play some role in influencing the economic and security structure.

It has to be emphasized, nevertheless given the experience of the smaller European powers in European history, that a fluid or an unstable power balance, while giving opportunity to small powers on one hand to manoeuvre, can also be inimical to their long-term interests, for their interests could be brushed aside when the big powers are busy trying to agree among themselves. Or small powers may be tempted to side with one or two powers, which if ultimately triumphant in the sense of achieving a balance to their liking, may not in fact

reward their small allies more than if these small allies had stood on the sidelines. On the other hand, if these small powers backed the wrong side, they could suffer. It can even be argued that the interests of the small powers would best be served by a stable power balance whereby they have a protector in one of them (as the low countries had in Great Britain in the nineteenth century) or whereby mutual suspicion of each other forced the big powers not to interfere in a small power (as was the case of Belgium's independence in 1830). Thus, one may see as a contemporary example of the former in South Korean relations with the United States, which during the Cold War protected it from North Korea and China and the USSR.

But the situation is quite different now in the Asia-Pacific region where big powers are increasingly reluctant to act like the traditional big powers of European history and where economic interdependence is important. Thus, small powers here have an unprecedented opportunity to influence those areas in which the big powers feel constrained to act. And the effectiveness of the smaller powers depends, in my opinion, on three things. They should not pursue policies that are in conflict with the fundamental interests of these big powers. This may sound tautological but it is not. Between actions that harm big power interests and the present *status quo* lies a big area where small powers can manoeuvre. For example, the big powers like Japan and the United States are not against any move to form an Asia-Pacific wide economic organization (at first, Japan was more keen while the United States remained open) but could not themselves initiate such for fear of misinterpretation by other big powers or for fear of charges of big domination by the smaller ones. Thus, small powers like Korea and Australia could initiate the establishment of APEC in 1989 and influence its subsequent structure. Similarly, the big powers are not resistant to the establishment of an security forums that could deal with regional security issues but could not initiate one themselves for the same reasons they could

not do so for APEC. Here an entity like ASEAN could step in and influence the security debate. This ASEAN did with the formation of the ASEAN regional forum.

But for the small powers to be effective they must possess certain characteristics the big powers find acceptable. Increasingly, these characteristics consist of an impressive economy and a record of a good governance, which means more and more a democratic government. Thus, South Korea, Australia and ASEAN have reasonable claims to such characteristics though they vary with each. South Korea has the most impressive economic performance while Australia is the most democratic from a Western viewpoint. ASEAN has an impressive economic performance too and a reasonable record of governance.

The force of this argument can be seen in comparison with countries like Myanmar, Indochina and North Korea. Because they all have unimpressive economic performances and because some of them are practitioners of egregious human rights violations, they will not be taken seriously had they suggested any regional economic or security forums.

But the ability of South Korea and Australia to influence events is limited. South Korea has only a population of about forty million. In addition, it is a divided part of a nation that is a small one in East Asia. Australia, though a continent, has a population of only 18 million. While it has made tremendous strides towards Asian status, it is as yet fully accepted as one in some Asian quarters. In this connection, ASEAN thus stands the best chance among the small entities to influence the structure.

ASEAN has a total population of well over 300 million, thus giving it a greater clout than the two other smaller powers. While ASEAN countries may not be as fully democratic as Australia, they nevertheless, with the occasional outbreak of political violence and human rights violations, have a relatively good record of governance. This combined with their impressive economic development have made some of the ASEAN

outside Asia. Singapore (and increasingly Malaysia) is seen as a model by many Africans and even by people as far away as in Kazakhstan. Moreover, ASEAN has momentum on its side in that many countries in Southeast Asia, and outside it, are interested in joining.

On a structural level, ASEAN is the only grouping of countries that straddle both economic and security functions in the form of the ASEAN Free Trade Agreement and the ASEAN Regional Forum. It can thus as a grouping move quite easily from the economic area to the security area.

Yet, despite all these advantages, ASEAN is most hesitant to take up the challenge of influencing the economic and security structure of the Asia-Pacific region. It is still plagued with doubts about its ability to maintain its cohesion in a wider Asia-Pacific region despite many years of experience in developing a common stand. Progress towards an ASEAN Free Area has been very tardy when it should not be. And it is still very cautious despite the ARF to confront Asia-Pacific wide security issues at a time of rapid geopolitical changes.

Such should not be the case for ASEAN is now presented with an unique historical opportunity to shape the post-Cold War Asia-Pacific structure before the power structure hardens. Will ASEAN grab this opportunity or will it turn somewhat moribund, existing more and more in form because is unable or unwilling to confront problems within ASEAN and outside it? Shakespeare in Julius Caesar said (I hope one can be forgiven for bringing up this much quoted but nevertheless appropriate passage)

"There is a tide in the affairs of men which, taken at the flood, leads on to fortune; omitted, all the voyage of their life is bound in shallows and in miseries. On such a full sea are we now afloat; and we must take the current when it serve or lose our ventures."

One can only end by asking whether ASEAN will choose this Asia-Pacific current when it serve?

Notes

1. See Richard Rosecrance, "A New Concert of Powers", *Foreign Affairs*, Vol. 71, No. 2, Spring 1992, reprinted in *Dialogue*, (USIA, Washington D.C.) no. 101. 3/93, p. 4. Rosecrance himself, however, believes that the present moment for the globe is the most hopeful period in the history of modern interstate relations for the prospect of an emerging concert of powers similar to that found in Europe in the first half of the nineteenth century.
2. Henry Kissinger, *Diplomacy* (Simon and Schuster, New York 1994), p. 813.