

ASIAN SECURITY TO THE YEAR 2000

William J. Taylor, Jr. and Abraham Kim  
Paul H. B. Godwin  
Robert J. Wirsing  
Marc Jason Gilbert  
Perry L. Wood

Dianne L. Smith  
Editor

December 15, 1996

\*\*\*\*\*

The views expressed in this report are those of the authors and do not necessarily reflect the official policy or position of the Department of the Army, the Department of Defense, or the U.S. Government. This report is cleared for public release; distribution is unlimited.

\*\*\*\*\*

Comments pertaining to this report are invited and should be forwarded to: Director, Strategic Studies Institute, U.S. Army War College, Carlisle Barracks, PA 17013-5244. Copies of this report may be obtained from the Publications and Production Office by calling commercial (717) 245-4133, DSN 242-4133, FAX (717) 245-3820, or via the Internet at rummelr@carlisle-emh2.army.mil.

\*\*\*\*\*

All 1995 and later Strategic Studies Institute (SSI) monographs are available on the Strategic Studies Institute Homepage for electronic dissemination. SSI's Homepage address is: <http://carlisle-www.army.mil/usassi/>

\*\*\*\*\*

Three additional studies from this conference are being published independently. "Central Asia: A New Great Game?" by Dianne L. Smith and "India's Security Environment: Towards the Year 2000" by Raju G. C. Thomas are currently available. "Why Russian Policy is Failing in Asia" by Stephen Blank is forthcoming.

\*\*\*\*\*

Additionally, each year the Strategic Studies Institute sponsors a Strategy Conference. The 1996 conference theme was "China into the 21st Century: Strategic Partner and . . . or Peer Competitor?" Many of the monographs produced from this conference complement the essays in this volume. Titles are listed in the catalog available through the SSI Publications and Production Office or our Homepage.

## FOREWORD

In January 1996, the U.S. Army War College's Strategic Studies Institute (SSI) and the Center for Strategic and International Studies (CSIS) hosted a conference on "Asian Security to the Year 2000." No region of the world has greater potential for expanded influence on American interests. This compendium of papers from the conference examines the security policies being pursued by many of the key Asian actors--China, the Koreas, Pakistan, and the nations of Southeast Asia, particularly those in ASEAN. The contributors to this volume paint the picture of a dynamic and diverse Asia on the verge of the new century. Each author identifies the critical issues which frame both challenges and opportunities for U.S. foreign, economic, and security policies.

Lieutenant Colonel Dianne Smith of SSI has carefully edited their works and provided the excellent introductory overview which follows this foreword. SSI is pleased to publish this volume as a contribution to the national security debate on this important area of the world.

RICHARD H. WITHERSPOON  
Colonel, U.S. Army  
Director, Strategic Studies Institute

## OVERVIEW

Dianne L. Smith

The end of the Cold War transformed the global security environment in Asia. Old security and military ties based on the superpower rivalry underwent serious examination and transformation, as regional issues gained greater importance.

With a shift away from military threats, national security concerns have expanded beyond external threats to a state's territorial integrity; states face economic threats, the possibility of social cataclysm, ideological or religious conflict, environmental problems, heightened violence and crime, proliferation of conventional and nuclear weapons, and transnational issues such as drugs, refugees, and international terrorism.

Six authors examine the influence of these factors on Asian security in the next decade. William J. Taylor, Jr., and Abraham Kim first survey the new dynamics of Northeast Asian security, focussing on the changed relationships between Russia, China, Japan, and the United States. They then examine the Koreas in the changing northeast region. The post-Cold War era has deepened the isolation and economic deterioration of Pyongyang and, conversely, permitted the gradual democratization, rapid economic growth, and enhanced international stature of Seoul. However, Northeast Asia has been left with ever-increasing uncertainties. For both Koreas the rapid strengthening of China, the potential for Japanese remilitarization, and the uncertain stability of Russia are worrying. But, the greatest issue for both Koreas remains the terms for the reunification both say they seek. The Nuclear Agreed Framework has taken the nuclear crisis off international agendas for the time being, but that agreement is a frail framework on which to hang our hopes for peaceful reunification. In the meantime, the political-military situation along the Demilitarized Zone remains fragile.

Paul H. B. Godwin argues that Chinese foreign policy is caught in the contradiction between domestic goals (which require China to maintain a constructive relationship with the international system) and Beijing's military security objectives and modernization goals (which Asia and the United States view as potentially threatening to regional security). China's response to American criticism has been to charge Washington with trying to start a new Cold War in Asia and drive a wedge between China and its neighbors, and to detract attention from its own nuclear weapons tests, weapons acquisitions, and modernization programs. When these actions are combined with renewed claims over the Spratly Islands and use of force to intimidate Taiwan, fear of an ascending China has little to do with American policy or intent.

China's Asian neighbors prefer to accommodate China and let America act as a balance. Beijing's perception of Washington seeking to contain China may be rooted as much in its understanding of its neighbors' security logic as in the underlying intent of American strategy in the Asia-Pacific region. Sino-American relations are potentially more critical and hazardous for regional peace and security in the new millennium. China's past willingness to confront Washington is a foreboding precedent.

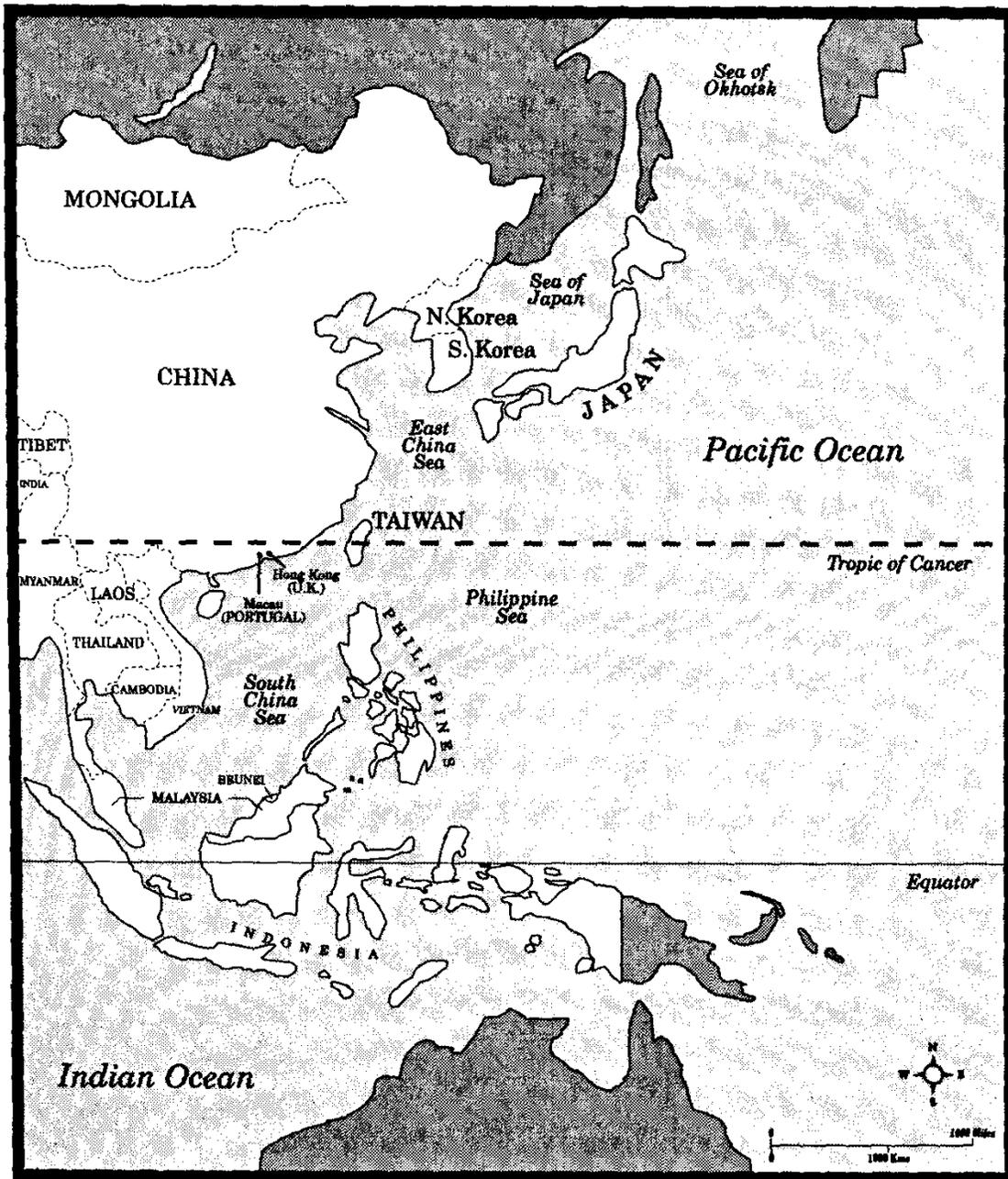
Robert Wirsing questions whether Pakistan's security in the "New World Order" is going from bad to worse. It faces major challenges to its security: its ties to major power wielders have grown perilously thin, no major power seems willing to come its rescue in a crisis, the arms gap with India widens, and its internal stability and political unity are being seriously eroded by ethnic and sectarian strife. Her options to solve these problems are narrow. Turning her back on South Asia (or at least the Hindu core of it) and embracing pan-Islam is too dangerous; domestic liberalization tackles external security problems mainly by trying to forget them. Regional cooperation, according to Wirsing, is the most viable option, but there is no insurance that Pakistan will be willing to implement it. Pakistan and India both need to take initial steps to resolve the pivotal issue of Kashmir, but neither seems convinced that the situation is sufficiently urgent to warrant the prolonged and heavy expenditure of political capital required to bring both sides *seriously* to the bargaining table. Redefining Pakistan's security in terms that the West might find acceptable will prove difficult, if not impossible, but until this changes, the rest of the world can help India and Pakistan with constant encouraging dialogue and with concrete and evenhanded political, military, and economic gestures toward the region that discourage fighting. But, in the end, Wirsing argues, making South Asia more secure is mainly a task that South Asians must perform.

Marc Jason Gilbert contends that the security architecture of the Association of South East Asian Nations (ASEAN) is firmly rooted in its experience as part of the so-called "shatterbelt," the region that stretches from Southeast Asia across the Himalayas through Central Asia to the Caucasus and Anatolia and onward to Southern Europe. Successive waves of disparate ethnic groups have settled here without wholly displacing their predecessors, thus ensuring that among them will be legacies of both prolonged conflict and co-existence, coupled with dynamic urban civilizations and traditionally weak geopolitical and economic structures. As a result, the art of survival has most often depended upon artful compromise, accommodation, multilateral approaches to common problems brokered between internal factions, regional partners, and/or extra-regional powers. States in the shatterbelt have experienced great

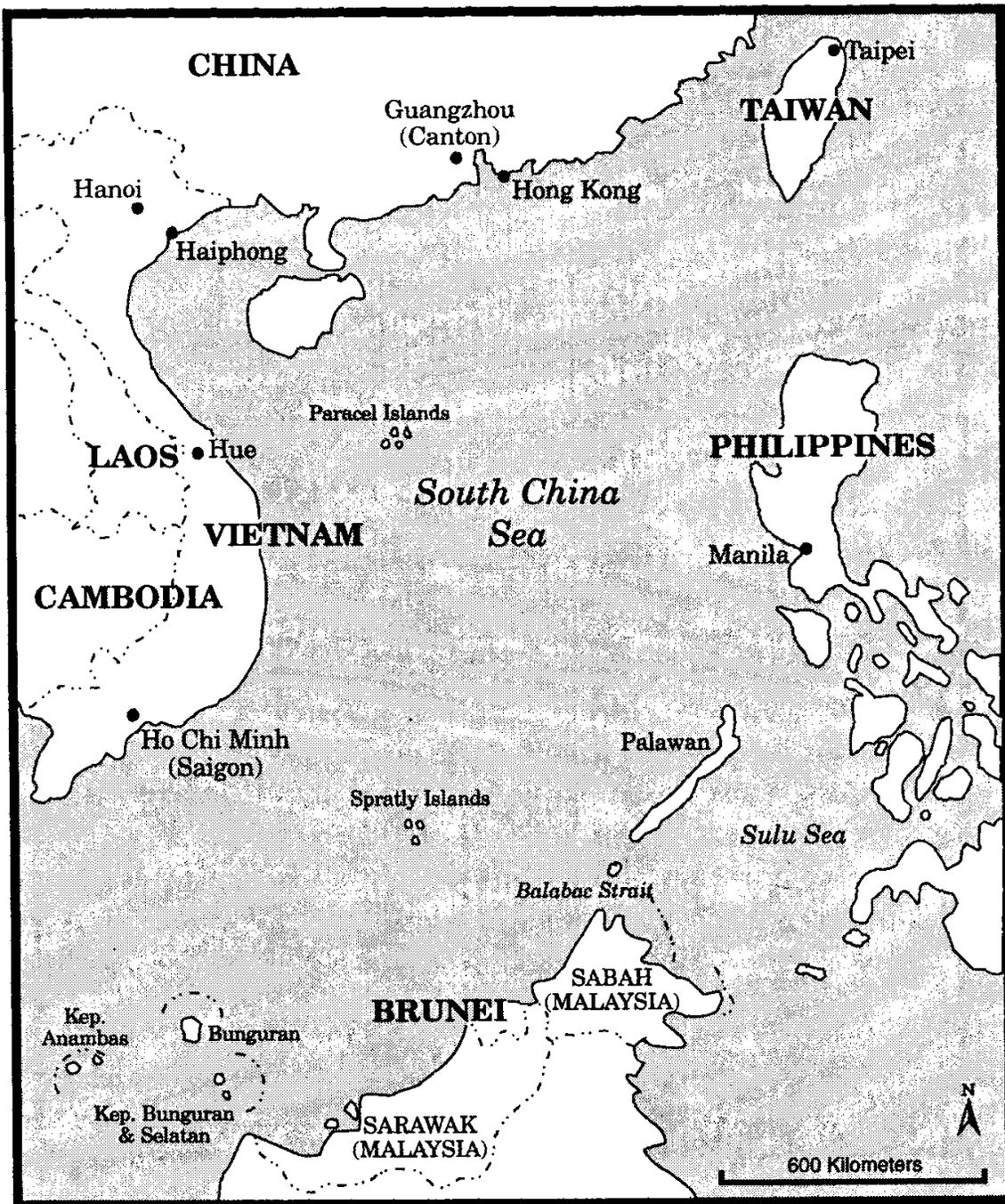
achievement when they work together and terrible tragedy when they do not, as the recent histories of Yugoslavia, Afghanistan, and Vietnam make clear. This heritage has shaped ASEAN's *modus operandi* and explains the association's unwillingness to transition to a European-style defense alliance. This pattern of pacific, informal, and consensus-seeking strategic posture, promoting economic growth as the best medicine for its security problems, has its critics, but the ASEAN states have avoided major confrontations and bid others to apply that strategy beyond the confines of Southeast Asia.

Finally, Perry Wood argues that the transformation of Southeast Asia into a center of economically vibrant states with a claim to a political leadership role in Asian and world affairs is being realized. The ASEAN states are working to extend their "peace" to Indochina and usher in an unprecedented era of regional cooperation and development. Unfortunately, contrary trends are apparent; the end of superpower dominance has left many states increasingly worried about external security and some are assuming a higher regional military profile as a consequence, which may increase the risk of limited conventional wars and armed conflicts in the next century. The ASEAN states are attempting to preserve strong security ties with Washington, but the United States appears increasingly preoccupied with its internal affairs and complacent regarding the region's role in America's wider global interests. Regional security cannot rest with America, but it can encourage the ASEAN nations to continue to enhance their bilateral and trilateral security cooperation and improve the transparency of their defense programs. The ASEAN states will never be allied with Washington, but their common concerns and shared interests form the basis for an independent, but coordinated, approach to regional affairs which can work to build a 21st century Asia congenial to both the United States and the indigenous nations.

Russia, China, the ASEAN nations, India, Pakistan, the new Central Asian republics, Japan, and North and South Korea all seek to redefine their security strategy to the Year 2000. Their success or failure will directly bear on the strategic interests of the United States in a significant way.

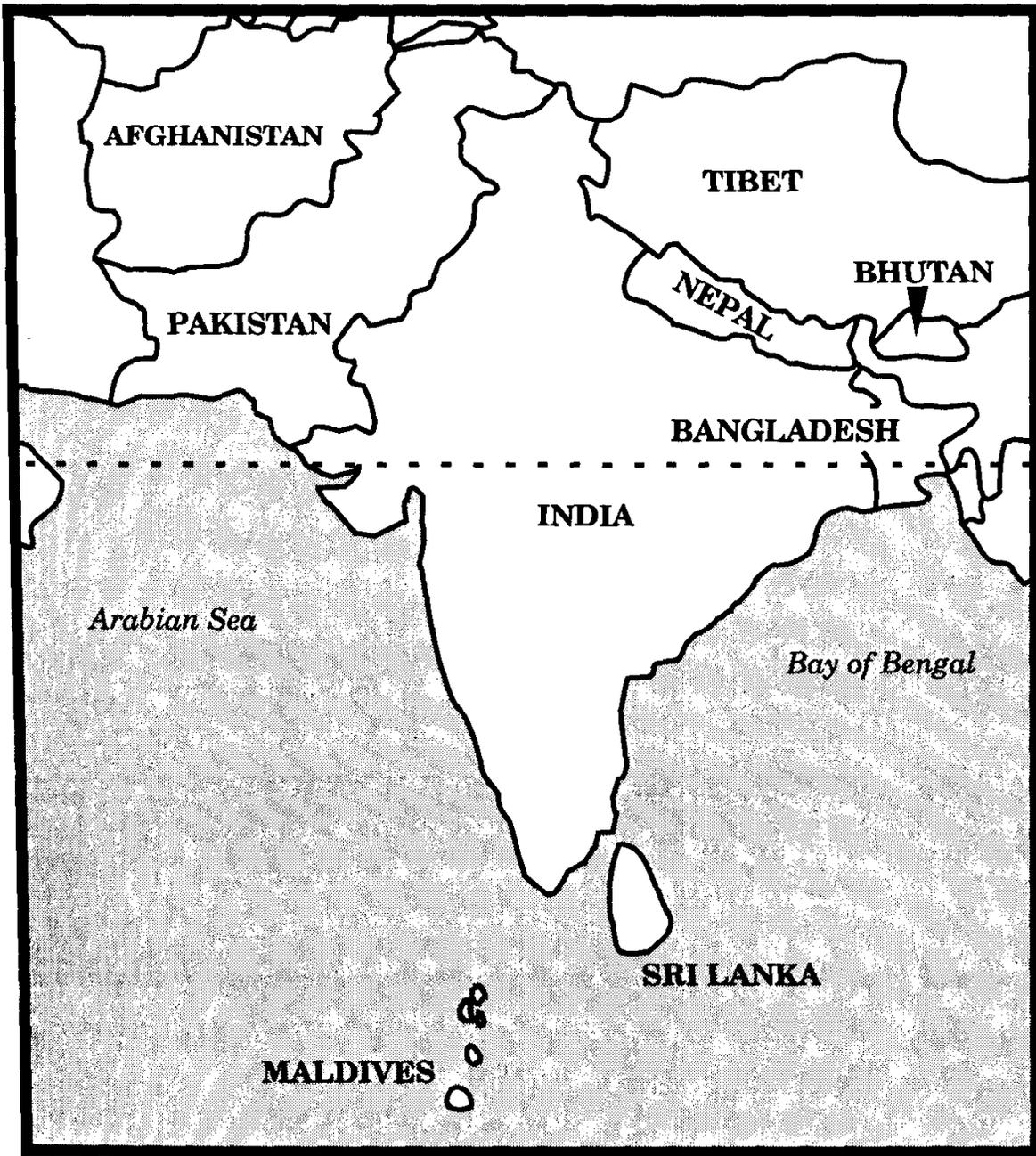


**Figure 1. East Asia.**

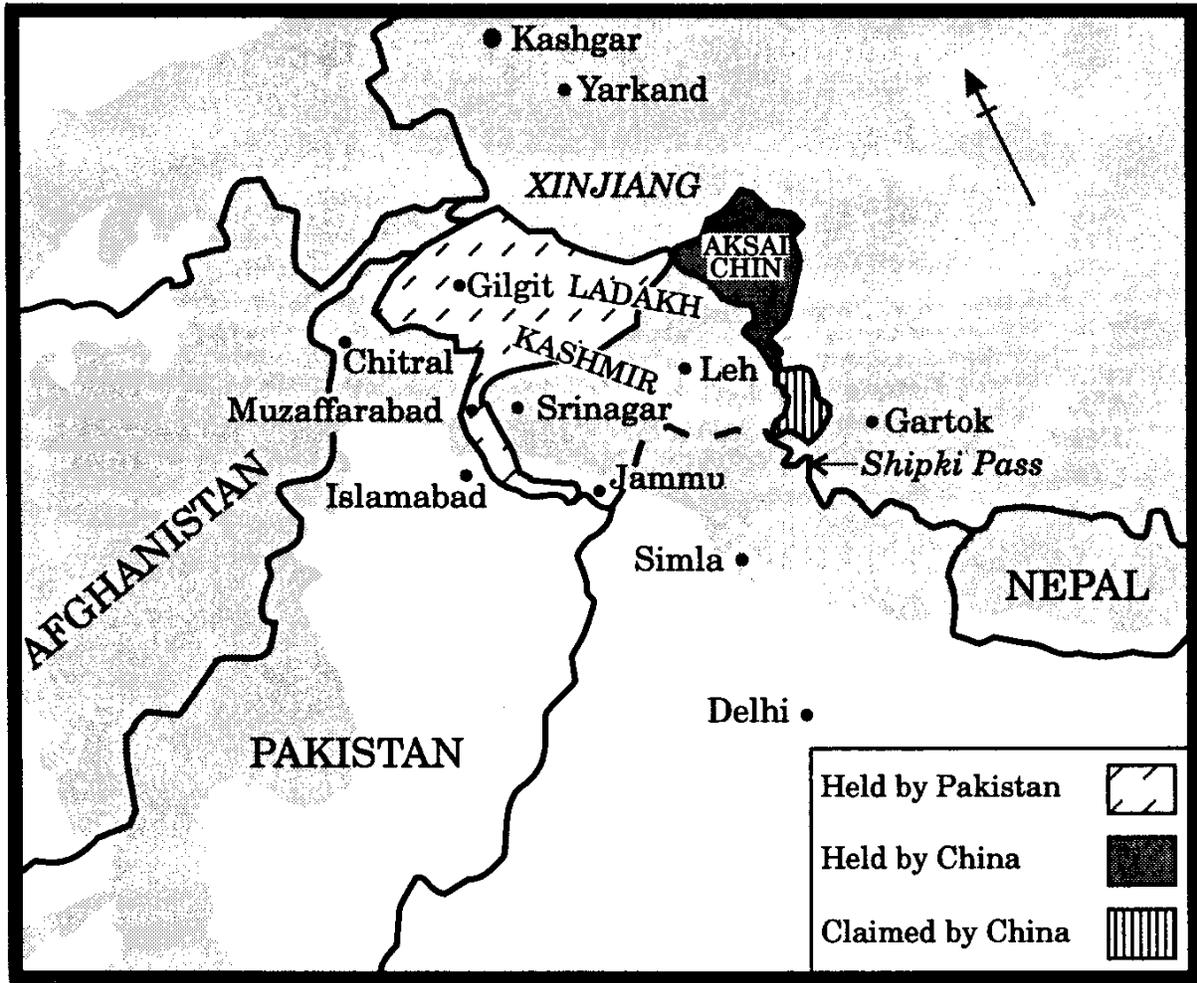


Source: Ewan Anderson, *An Atlas of World Political Flashpoints*, New York: Facts on File, 1993, p. 194.

**Figure 2. South China Sea.**



**Figure 3. South Asia.**



Source: Andrew Boyd, *An Atlas of World Affairs*, 9th ed. London: Routledge, 1991, p. 158.

**Figure 4. Kashmir.**



**Figure 5. ASEAN Members.**

## CHAPTER I

### THE KOREAS IN THE CHANGING NORTHEAST REGION

William J. Taylor, Jr.  
and  
Abraham Kim

#### **Introduction.**

The Cold War era was a period of "hostile peace and stability"--hostile because of the constant struggle and tension between the forces of democracy and communism exemplified by Soviet-sponsored "wars of national liberation" and the "reign of nuclear terror" and stable, in retrospect, because nations knew friend from foe and could calculate their interests accordingly. Cold War security interests subordinated all other concerns, and points of potential tension were avoided among "Free World" allies in order to sustain firm coalitions in the face of the Communist threat in its various forms.

The end of the Cold War brought a mixed bag of challenges to the Northeast Asia region. Although the Soviet threat to the region was removed, residue from the Cold War remains. The communist regimes of North Korea and China are still a reality, and the Korean peninsula remains divided. At the same time, the principles and relationships that once thrived and served as the immovable foundation of political ties during the Cold War are now open for reexamination and question. Uncertainty and instability abound. The challenge now facing the countries of the Asia-Pacific region is to adjust to this transforming environment.

These global and regional changes have affected the two Koreas, particularly in the area of security. The end of the Soviet threat has not brought increased stability and peace to the Korean peninsula; rather, increased uncertainty and multiple challenges will prevail in the coming years.

#### **End of the Cold War: Moscow's New Foreign Policy.**

Without question, the most significant global change in recent years was the demise of the Soviet Union. For decades, American allies in the Asia-Pacific region lived under the constant threat of Soviet military aggression. But, within a few dramatic years, the Soviet empire collapsed, and the threat evaporated. From the ashes, an ailing Russia, plagued by economic chaos and political strife, emerged seeking economic assistance from any country willing to help.

Within the Russian government a lack of consensus exists on the overall foreign policy strategy to draw needed aid and economic cooperation from other countries. Initially, President Boris Yeltsin, Foreign Minister Andrei Kozyrev, and other "pro-Western" reformers focused on improving relations with the United States, Western Europe, Japan, and other allies who were seen as potential donors and investors.<sup>1</sup> Their goal was to integrate Russia into the group of industrialized countries as a political and economic partner. But, they soon discovered that this was a false hope. They failed to draw adequate support and acceptance from these nations. Alexei Arbatov, a deputy of the Duma legislature, explains the reason for Russia's lack of success: "[The pro-Western Russian policy makers] underestimated the uniqueness of the Russian state and its heritage, as well as Western reservations about too rapid convergence."<sup>2</sup>

By mid-1992, a reorientation of Russian foreign policy had taken place. The pro-Western leaders' control over foreign policy gave way to more conservative groups, such as the Security Council (a top policy-making body established in 1992) and the legislature. The Russian government refocused its diplomatic priorities toward improving relations with the former Soviet Republics, Central Eastern Europe, and the developing Asian countries.<sup>3</sup> By the end of 1993, Moscow had adopted policies more independent from the West; it now pursued two general foreign policy aims: to defend Russia's "national interest" and to achieve prominence in the international community.

The shift in Russia's foreign policy made tensions between the industrialized world and Moscow inevitable, especially as the Russian government pursued what it considered as its own vital "national interests." For example, the Russian conflict in Chechnya drew much criticism from the Western European nations. On January 19, 1995, the European Parliament voted to postpone the signing of an interim trade and economic agreement between Russia and the European Union in response to Moscow's atrocities. In the subsequent month, tensions between Washington and Moscow grew as the U.S. Government sought to stop the Russians from constructing a nuclear plant in Iran. The Russian government refused to back down, arguing that Washington's aims were to eliminate its competitors rather than protect international security.<sup>4</sup>

Current political developments within Russia suggest that the future of Moscow's ties with the West will be increasingly turbulent. Most notable is the growing nationalist sentiment among politicians and the populace to restore the "Great Power" status of Russia. More people are accusing the West of hindering Russia's attempt to take its rightful place in the world community and for being the catalyst of the country's many social and economic ills. Nationalist and Communist parties which

subscribe to these beliefs are becoming more vocal and popular among the Russian people. The large victory for the Ultra-nationalist and Communist forces in the December 1995 parliamentary election attests to their growing strength. The Russian Federation Communist Party alone succeeded in capturing a third of the 450 legislative seats in the Duma. Combined with the nationalist groups, the "red" party, along with its political comrades, hold a majority in the Duma.<sup>5</sup> Moreover, the recent resignation of Foreign Minister Andrei Kozyrev, Deputy Prime Minister Anatoly Chubais, and other like-minded reformers--and their replacement with hardliners--marked the end of the pro-Western faction within the Yeltsin Administration. The era of a Russia compliant with the West is over. The question is, what will the future of Moscow's relationship with the Western powers be as Russia proceeds down a more hardline and nationalist path?

### **Russia's Ties to Northeast Asia: Sources of Instability.**

Moscow recognized clearly the important diplomatic opportunities and vast economic resources available in the Northeast Asia region. The Russian government actively sought to establish ties with Northeast Asia's economic giants, but these new-forming ties became a source of tension, resurrecting some old problems and creating new ones in the region.

Among the dynamic Asian countries, Russia saw the importance of Japan's growing regional and global role. To tap into the resources of Asia, seeking better relations with Japan was an important task. From the beginning, however, trouble plagued Russia's attempts. Central to Russo-Japanese relations is the Northern territories dispute. During the closing days of World War II, Soviet forces occupied the Kurile Islands (or Northern territories) as well as the southern part of Sakhalin Island. In the mid-1950s, Moscow and Tokyo began talks over Soviet occupation of the Kurile Islands. Under the banner of "peaceful coexistence," Nikita Khrushchev made gestures over the islands issue to win the favor of the newly-elected Japanese Prime Minister, Ichiro Hatoyama, who promoted a more independent foreign policy than the previous, pro-U.S. Yoshida Administration. Khrushchev saw this as an opportunity to undermine American influence in Japan and the U.S.-Japanese mutual security pact, and to normalize relations with Japan.<sup>6</sup> In 1956, Moscow made an agreement with the Japanese government to return the two smaller islands of Habomai and Shikotan after the completion of a peace treaty between the two countries. However, the promise was short-lived. Moscow unilaterally retracted its pledge in 1960.<sup>7</sup>

Almost 30 years passed before discussions between Japan and Russia on the Northern territory issue began again. New talks on

the islands started, following a visit to Tokyo by Edward Shervardnaze in December 1988. Tokyo and Moscow agreed to establish a joint working group to study the dispute and, hopefully, bring about a resolution and conclude a peace treaty between the two governments, but little was resolved.

President Boris Yeltsin and the new Russian government continued the previous administration's endeavor to restore Russo-Japanese relations. To do so, they understood that a more flexible attitude toward the Northern Territories dispute was paramount. The Russian government agreed to three concessions: to support the demilitarization of the disputed islands; to reconfirm the validity of the 1956 Joint Declaration in which Moscow agreed to return the smaller islands after the conclusion of a peace treaty; and to discuss the disputed ownership of the Kunashiri and Etorofu Islands (the two larger islands). By demonstrating an open mind on the Kurile Islands issue, Yeltsin hoped to win the favor of Tokyo and draw much needed economic assistance into Russia.<sup>8</sup>

These concessions drew heavy criticism from conservative groups within the Russian leadership and the military. Critics argued that the islands were of extreme strategic importance. First, they said, the islands served as a natural line of defense for the Russian Far East, as well as the Sea of Okhotsk, where Soviet ballistic missile submarines were stationed. Moreover, the islands were critical in safeguarding the passageway for ships traveling from Russia's Vladivostok naval base to the Pacific Ocean.<sup>9</sup>

Moderate groups in the government also joined the opposition to Yeltsin's policies. Although not as extreme as conservative groups in rejecting any form of territorial transfer, they saw that the islands could be used as a bargaining chip in a grand tension-reduction plan among Japan, the United States, and China to ensure Russian security in the region.<sup>10</sup>

The strong opposition among Russian elites forced Yeltsin and his supporters to reevaluate their policy for a quick territorial transfer. Internal Russian opposition to the demands of the Japanese government to return the islands led President Yeltsin to postpone two trips to Tokyo, which angered the Japanese government. Yeltsin finally traveled to Tokyo in July 1993, but refused to yield to the pressures of the Japanese government to explicitly reaffirm the 1956 declaration. Instead, he simply stated that he would uphold all international agreements and treaties made between the Soviet Union and Japan.<sup>11</sup> The two countries have yet to resolve this contentious issue.

Japanese public attitudes toward Russia have been negatively affected, not only by the lack of significant progress on the

island issue and the postponement of Yeltsin's trips to Tokyo, but also by reports that Russia has been dumping nuclear waste into the Sea of Japan.<sup>12</sup> Moreover, continuous reports from Japan's Defense Agency that Russia may be a potential medium or long-term military threat further harmed Japan's view of Russia. Following Gorbachev's announcement of reductions in Soviet military forces in May 1989, Russia's military presence in the Far East has quantitatively declined, but qualitatively improved, with continual military equipment modernization. Moscow shifted a large portion of its state-of-the art military arsenal, especially combat forces that were once stationed in Eastern Europe, from west of the Urals to the eastern region. Twenty-six army divisions supported by high-tech equipment, such as T-80 tanks, MI-24 *Hind* air-to-ground attack helicopters, and other top-line vehicles, still remain positioned in the Far East region. In addition, Russia has deployed approximately 1,000 combat aircraft comprised of fourth generation fighters and strategic bombers, such as the Su-25 *Frogfoot*, MiG-29 *Fulcrum*, MiG-31 *Foxhound* and Tu-22M *Backfire*. The powerful Pacific fleet consists of 675 ships (65 major surface ships and 65 submarines) with a total displacement of 1,680,000 tons.<sup>13</sup>

Russian military activities and exercises have decreased since the end of the Cold War, and general military readiness, as witnessed in Chechnya, has declined due to Russia's economic crisis and low military morale. With the lack of internal stability and resources, it is unlikely that Russia will be a significant military player, let alone a security threat, in the Asia-Pacific region for the foreseeable future. But Russia has gone through periods like this before, when domestic considerations and difficulties diverted its attention away from the Pacific. In each case, the preoccupation passed, and Russia returned to the region with new vigor. There is little reason to expect that it will be different this time. The question is, how long before Russia revives its strength in the region? No one can know for sure, but 20 years would be a reasonable time frame, assuming that no further disasters befall its transition.

Anticipating Russia's recovery, Japan, China, and the United States are all attempting to establish normal relationships with Moscow. However, with Russia's legacy of hostility and aggression in the region and under current expectations, it is reasonable to assume that the resurgence of Russia could be a destabilizing factor.<sup>14</sup> Japan's Defense Agency expressed these anxieties in a recent *White Paper*:

The future developments of Russian forces are unclear because of unstable domestic political and economic conditions in Russia. Accordingly, the developments of the Russian forces in the Far East become uncertain. The existence of Russian forces in the Far East still

constitutes a destabilizing factor for the security of this region.<sup>15</sup>

However, these sources of tension have not evolved into major diplomatic crises between Russia and Japan. In fact, the two countries often have put problematic issues such as the Northern Territories dispute on hold and carried on cordial cooperation. Japan has gone so far as to contribute aid to Russia, although sometimes with reservations. The end of the Cold War has removed Russian and Japanese ideological enmity, but the seeds of tension remain between the two regional powers which have a history of conflict. With a precarious Russian political future and an Asia-Pacific region in transition, the future of Russo-Japanese relations is uncertain.

### **China: A Central Player's *Rapprochement* with Russia.**

Another significant development in the East Asia region has been the *rapprochement* between China and Russia. Since the establishment of official diplomatic ties in 1989, Beijing and Moscow have cooperated in many areas that make it hard to believe that little more than a decade ago, these two governments were implacable foes. Of special note are the military ties that have formed between Moscow and Beijing. Arms sales between the two countries have been active. In December 1992, they signed a joint communique agreeing to strengthen military cooperation through the Chinese purchase of Russian military arms. Russia agreed to supply China with Su-27 *Flankers*, Su-31 trainers, MiG-31 *Foxhounds*, Tu-22M *Backfire* medium-range bombers, T-72 tanks, S300 surface-to-air missiles, and IL-76M *Candid* transports. Moreover, four *Kilo* class submarines have been delivered, and talks are underway for Beijing to purchase 22 more.<sup>16</sup> According to a recent Stockholm International Peace Research Institute (SIPRI) report, China's total purchase of Russian arms and equipment in 1991-1994 was estimated as between \$4.5-6 billion.<sup>17</sup>

More alarming than military sales are technological transfers and cooperation between the two countries. A *Memorandum of Understanding on Sino-Russian Military Equipment and Technology Cooperation* was signed in 1992. Since then, the Chinese government has employed hundreds of Russian and Ukrainian military scientists in its defense industries. Most of these individuals work on developing high-tech armaments and nuclear weapons.<sup>18</sup> One military expert, Tai Ming Cheung, described the situation:

Chinese military and military industrial delegations visit Moscow and many other Russian cities on virtually a continuous basis today. The Chinese Embassy in Moscow has considerably expanded its military representation

to be able to handle this heavy volume of traffic.<sup>19</sup>

This active military tie is based on a marriage of convenience. Russia, in need of hard currency, found China more than willing to purchase Russian high-tech military equipment and state-of-the-art military technology. For the Chinese government, finding advanced arms sellers available among the world's democracies has been more than difficult because of the Tiananmen Square incident and because most other countries have important commercial ties to Taiwan.

Moreover, both sides' flexibility in deals with each other has made them even more attractive partners. For example, one report described a deal made by Russia's Komsomolsk-na-Amure Aviation Plant to sell Su-27 fighter aircraft to China. The plant agreed to accept part of its payment in the form of canned meat for its workers. Such a deal would have been absurd for British, French, and American defense industries, but for two needy countries such as China and Russia, the deal made sense.<sup>20</sup>

Why should Russo-Chinese military cooperation be viewed as a threat? Chinese expansionism has been an area of concern for many neighboring countries in Asia. China's active duty military, at 2.9 million personnel, is the largest military force in the world. Numerically, the Chinese navy ranks third in the world. According to one estimate, if all the ASEAN<sup>21</sup> countries and Taiwan were to combine their fleets, China would still possess a slightly larger navy. Many Chinese warships are equipped with outdated weapons systems, but some are known to be of "1980 vintage," equipped with surface-to-surface and surface-to-air missiles and reasonably capable defense systems. China has long lacked military projection capabilities for its navy and air force, but it is clear that Russia is slowly providing the technology and modern equipment to advance Chinese power projection.<sup>22</sup>

During the Cold War, China pursued an aggressive nuclear weapons program for deterrence and warfare. Today, China possesses the third largest nuclear arsenal in the world--14 intercontinental ballistic missiles (ICBMs) that, absent missile defense systems, can hit virtually anywhere in the world, 60 intermediate range ballistic missiles (IRBMs), one nuclear-armed submarine, and countless tactical nuclear warheads. While the United States and Russia have worked to reduce their nuclear forces, China has continued to modernize and develop its nuclear weapons and delivery systems.<sup>23</sup> It continues nuclear tests in the face of a consensus for a comprehensive nuclear test ban.

Undoubtedly, China is one of the most dynamic countries in the world. While the world reeled from a global recession during 1990-1993, China's economy expanded at an annual growth rate of

13 percent. In 1995, China's economic growth rate reached 9 percent, far above the average global growth rate of 2.7 percent, and even the average Asian growth rate of 7.9 percent. Growth in 1996 is forecast to be 9.7 percent.<sup>24</sup> In 1993, an estimated \$90 billion poured into China, equaling the total aggregate foreign investment of the previous 14 years. Moreover, economists forecast that China's imports will reach \$1 trillion by the year 2000.<sup>25</sup>

China's vast military capability is clearly a source of anxiety for many neighboring countries, but what heightens this fear is China's booming economy. Although China's current military now may be considered obsolete, combined with its astounding potential economic strength and the technological base that accompanies industrialization, modernizing China's military into a force with regional and global power projection will soon become a reality.

The question is, once China achieves combined capabilities, how will Beijing project "power" in its various forms and for what purposes? The question is very much on the minds of Asians, expressed well in Washington by the new Japanese Foreign Minister. Noting that China's defense spending has been increasing by about 20 percent annually, he said, "Japan is not defining China as an enemy, a threat or a risk," adding that, nevertheless, Beijing's military buildup must be taken into account as "an objective fact."<sup>26</sup>

### **U.S. Engagement in Asia: Losing Ground?**

The end of the Cold War has periodically called into question the U.S. role in the Asia-Pacific region. For more than 40 years, the United States had the major strategic objective of containing the spreading influence of communism in the region. To achieve this objective, America extended favorable aid and trade to its Asian allies, attempting to nurture their economies, establish stable governments, and station military forces in strategic areas to offer security for these countries and U.S. interests against threatening Communist forces.

The Soviet threat is gone, but the geo-political danger of instability and conflict is not. There are internal contradictions and latent regional problems that pose an uncertain future which is recognized in U.S. policy. "It is [the U.S. military] presence that the countries of the [Asia-Pacific] region consider a critical variable in the East Asia security equation . . . [and] the most important factor in guaranteeing stability and peace."<sup>27</sup>

For at least the short term, Washington recognizes the importance of the American presence in the Asia-Pacific region

and has described the security details of our strategy of engagement in the *United States Security Strategy for the East Asia Pacific Region*. This report expressed three basic principles. The first is "reinforcing alliances to identify their new basis after the Cold War." The second is to maintain a forward-based troop presence. These forces would provide for continuing deterrence against belligerent countries (e.g., North Korea), ensure U.S. involvement in emerging Asian affairs, and protect U.S. interests in the Asia-Pacific region. The third is the development of regional institutions, not to supplant existing treaties and understandings with American allies, but to build confidence among countries in the region.<sup>28</sup>

U.S. government policy statements have affirmed America's commitment to Asia. Some in Asia may doubt the Clinton administration's commitment, however, given the example of the absence of President Clinton from the Asia-Pacific Economic Council (APEC) meeting in Osaka, Japan, during November 1995. Despite the understandable reason behind the President's cancellation (the budget battle), some have called his failure to attend this conference and to meet with Japanese Prime Minister Tomiichi Murayama a blow to APEC and U.S.-Japan relations, especially in light of the growing debate over U.S. troop presence in Okinawa after the rape case of the Japanese school girl.<sup>29</sup>

Many countries in the Asia-Pacific region foresee a "slow but continuous" American withdrawal from the Asia-Pacific area, continuing the process begun during the Nixon administration with the 1969 Guam Doctrine, stipulating that Asian countries should be more responsible for their own defense. This was followed by subsequent military reductions in the region and even discussions of pulling out U.S. troops--for example, President Carter's 1978 attempt to reduce ground troops in South Korea; the 1992 U.S. East Asian Initiative to cut troops in South Korea by 6,500, which was later postponed due to the North Korean nuclear threat; closure of Philippine bases; and, reluctance to commit U.S. troops to peacekeeping operations in Cambodia. Asian countries believe that the U.S. military presence will continue to diminish, creating a power vacuum that China, Japan, or perhaps even India or Russia may try to fill.<sup>30</sup>

The fears of the Asian governments have been exacerbated by increasing domestic political concern in some quarters that U.S. military strategy is outdated and that the costly U.S. military presence abroad needs to be reduced in Asia. Critics complain that American defense policies have not changed much from the Cold War period, despite the absence of a Soviet threat and the increased importance of economic cooperation and development:

[Current US defense policy] offers a military

substitute for the failure of the United States to produce an effective trade and investment strategy toward East Asia . . . [This defense policy is] a sign of U.S. policy's bankruptcy in the new global economic center of gravity, East Asia.<sup>31</sup>

Some scholars argue that although the United States may maintain a military presence, its economic position and importance in the region will decline, as exemplified by America's losing economic battle with Japan in the 1980s and early 1990s. U.S. aid, investment, and trade in Asia were comparable to Japan in the 1980s, but over time Japan outstripped the United States. "U.S. failure to adequately attend to its economic interests in the Asian-Pacific region, coupled with Washington's proclivity toward tactical, rather than strategic, geo-economic thinking toward the region, looms as the next 'crisis' in U.S. external economic relations."<sup>32</sup>

Critics blame a sense of "American complacency" that is undercutting American economic presence in the region. They argue that Americans have ignored the business opportunities that exist in Asia and have disregarded the significant threat that Japan and other Asian countries pose. U.S. businesses, rather than establishing a long-term presence in the developing Asian economies through investments in the manufacturing and distribution sectors, focus on immediate, high profits from small volume trade with Asian countries. These same scholars attribute America's complacency to two assumptions: first, that countries which suffered the atrocities of Japanese expansionism during World War II, such as the ASEAN countries, would not permit the Japanese to dominate the region economically, and second, that a large and expensive U.S. military presence in the region would provide adequate leverage to grant U.S. initiatives to gain economic advantages.<sup>33</sup>

These assumptions, however, may be questionable. First of all, time heals wounds. As generations pass, the atrocities of World War II have become more distant psychologically. Secondly, Japanese investments increasingly are attractive to Asian governments and consumers. For example, leaders in Singapore, Malaysia, the Philippines, and Thailand all have urged Japan to demonstrate greater regional leadership.<sup>34</sup>

The bottom line is that economic and security equations have been switched.

Where once America's role as the security guarantor of the region ensured certain derivative economic benefits, now that the United States has become a secondary economic presence in Asia, there is no reason to believe that Americans will continue to support a

big security presence there unless the economic tide can be stemmed.<sup>35</sup>

Inevitably, increasing economic tensions, over time, will put pressure on the security relationship. The questions are: how long will America's large and expensive security presence last, given declining U.S. defense budgets and a relatively declining economic presence; alternatively, can the United States develop an effective strategy to shore up its economic presence? The problem is that, while the United States is in the region, it is not a part of the region. In 1995, the U.S. Department of State talked about the American role as the "honest broker" in the Asia-Pacific. But what Asians know is that brokers, no matter how honest they may be, are not necessarily investors. New U.S. strategy must place the United States as an *in-place* regional power, both in political-military and economic terms.<sup>36</sup>

### **The Fear of Japanese Militarism.**

The question of regional security and America's military commitments in Northeast Asia raise the issue of "Japanese militarism." Since 1945, the United States has guaranteed Japan's external security, while Japan maintained a limited self-defense force. Sometimes, however, there were apparently contradictory U.S. pressures for Japan to protect sea lanes that were 1,000 miles beyond its coast. However, this unique security treaty between the United States and Japan allayed the fears of Asian countries of an expansionist Japan. But, given the changed international environment and Japan's evolution toward regional and global leader,

[Japan] can no longer be a passive follower of global and regional developments and must become a major shaker and mover of international affairs . . . . It is clear that Japan has the potential to so change itself and its policy.<sup>37</sup>

As the justification for the U.S. presence in Japan is increasingly called into question, Asian countries increasingly are suspicious of Japan's long-term outlook for its security. The inability of Japan to come to terms fully with its activities before and during World War II until recently contributed to Asian countries' concerns. Moreover, the public outcry from the recent case of American servicemen raping a young Japanese girl in Okinawa has shaken U.S.-Japan security ties and has made U.S. troop presence in Okinawa a major political issue in Japan. In a recent speech to Japan's Diet, the newly-elected Prime Minister, Ryutaro Hashimoto, stated that, although the U.S.-Japan military alliance is essential, the 47,000 U.S. troops in Okinawa will be reduced.<sup>38</sup> The question is, by how much will U.S. troops be

reduced? How will this affect the strategic balance in the region? And, will this reduction set a precedent as a solution for future problems between Japan and the United States?

The defense policy announced in November 1995 suggests that, at least for the foreseeable future, the Japanese government will not expand its military. The Japanese Ground Self-Defense Forces will be reduced from 180,000 to 145,000 over the next 10 years. The number of tanks will be cut from 1,200 to 940. The Japanese Maritime Self-defense Force (JMSDF) will slash 20 percent of its 60 surface vessels and halve its minesweeping fleet. The Japanese Air Self Defense Force (JASDF) will cut 10 percent of its 350 fighters. Moreover, the military will be called to play a greater role in disaster relief and anti-terrorism.<sup>39</sup> Despite these cuts and more defensive posturing, Asian countries still eye suspiciously Japan's long-term military strategy. What causes fear among these countries is that the great economic strength that Japan has accumulated over the years can translate itself into military prowess and expansionism if Tokyo chooses to do so.<sup>40</sup>

Although Japan's military force is designed for defending the Japanese islands, it possesses one of the most capable and modern military establishments in the region. Japan could achieve an imposing, modern warfare potential, as well as a highly effective self-defense capacity. For example, the JASDF and JMSDF are estimated to have one of the most competent high-tech warfare capabilities in the world, possessing such systems as F-15 *Eagle* fighters, Airborne Warning and Control System (AWACS) aircraft and *Patriot* Surface to Air Missiles (SAMs).<sup>41</sup>

The Japanese nuclear program has also drawn attention. It is estimated that Japan's plutonium reprocessing program has enough weapons-grade, reprocessed plutonium for over 300 nuclear weapons by the year 2000. However, by 2010, some estimates predict that Japan's supply of plutonium could reach 80-90 tons, enough material to produce as much as 10,000 nuclear weapons. In addition, Japan is expected to acquire *Tomahawk* missiles and have long-range capabilities through the development of its space program.<sup>42</sup>

There is considerable debate whether Japan will assert itself as a major military power in the region. Given uncertainties in Japan about the transition period in Asia, the potential threat of Chinese military power, and the state of U.S.-Japan relations, a more independent defense policy is likely. A breakout of regional conflicts in such places as the Korean peninsula or the South China Sea could push Japan into remilitarization and military nuclearization. Given historical animosities in Northeast Asia, such events could lead to an extremely volatile region.

As dangerous as these trends may seem, recent developments on the Korean peninsula present just as great a threat to regional security. Secretary of State Warren Christopher recently described the Korean crisis as "ended."<sup>43</sup> This is a mis-characterization of the Agreed Framework signed in 1994. Other regional crises have detracted attention from the emerging instability on the peninsula.

### **Impact on the Korean Peninsula.**

What do all these trends imply for the Korean peninsula? The end of the Cold War certainly changed the balance between the North and South. From 1945 through the 1980s, the Democratic People's Republic of Korea (DPRK) -North Korea and the Republic of Korea (ROK) -South Korea sustained a relatively even military balance, with the Soviet Union and China supporting the DPRK and the United States aligned with and supporting the ROK.

This rough balance began to change in the late 1980s. Soviet General Secretary Mikhail Gorbachev's agreement to participate in the 1988 Seoul Olympics was an early sign of things to come. The Soviets started to demand hard currency from the DPRK for military equipment and support, and began to warm relations with Seoul, seeking South Korea's capital, technology, and management expertise. To ameliorate North Korea's objections, Moscow promised Pyongyang in May 1988 that no diplomatic relations would be established with Seoul. But soon after the Olympics, Moscow and Seoul signed a preliminary trade agreement with the South Korean Trade Promotion Corporation and invited South Korean companies to invest in Moscow and Leningrad. Again, the Soviet government assured Pyongyang that Moscow would not establish formal political ties with Seoul. Pyongyang clearly did not believe the Soviets and accelerated development of their nuclear weapons program--despite Pyongyang's 1985 signing of the Non-Proliferation Treaty (NPT).<sup>44</sup> In 1989, it was clear that formal diplomatic ties between South Korea and the Soviet Union would occur. Economic and political exchanges increased, which culminated in the meeting of Gorbachev and ROK President Roh Tae Woo in San Francisco where both governments agreed to eventual formal diplomatic ties.<sup>45</sup> On September 30, 1990, Moscow and Seoul established formal diplomatic relations; in December, the South Korean President made his first official trip to Moscow in which South Korea offered a \$3 billion credit for South Korean goods and later extended an additional \$3 billion credit. On April 20, 1991, President Roh Tae Woo hosted Gorbachev on Cheju Island, where Gorbachev proposed to negotiate a treaty of friendship and cooperation.<sup>46</sup>

The fall of the Soviet Union and the rise of Russian

President Boris Yeltsin did not bring any change to the growing Russian preference of South Korea over the North. Russian Deputy Foreign Minister Igor Rogachev visited Pyongyang in January 1992 as a special envoy of President Boris Yeltsin. His trip was not to reaffirm Moscow's ties to Pyongyang, but the reverse; he was there mainly to discuss a reinterpretation of the military clause and weaken Moscow's commitment to the existing bilateral Treaty of Friendship. Although the trip ended with no real consensus, the treaty was essentially dead.<sup>47</sup> In March 1992, Boris Yeltsin sent Foreign Minister Andrei Kozyrev on a goodwill tour to China, Japan, and South Korea. Blatantly, North Korea was left out of the itinerary.<sup>48</sup>

South Korea further strengthened its position with the establishment of formal diplomatic relations with China in August 1992. President Roh Tae Woo's "Northern Policy" (establishing relations with Moscow and Beijing to undermine North Korea) worked, and the ROK won major diplomatic victories over the DPRK. This, however, did not mean that unification would soon occur or even that the Korean peninsula would stabilize. In fact, the reward for these diplomatic victories is, in some ways, a more unstable peninsula and possibly a precarious future. Winning over the Russians and Chinese did not increase the leverage of Seoul over Pyongyang. In fact, the cooling ties between Moscow and Pyongyang quickly eliminated a major outside player who could serve as a catalyst to prevent dangerous North Korean political-military posturing. Beijing remains the last significant force beyond Washington, Seoul, and Tokyo which might induce Pyongyang to accommodate the wishes of the international community. Beijing in recent years urged North Korea to halt its nuclear weapons program and continue discussions with South Korea. But, Chinese officials report that their leverage with Pyongyang has decreased significantly since the establishment of formal relations with Seoul in August 1992.<sup>49</sup>

Clearly North Korea's isolation has created some major problems for both North and South Korea, the paramount problem being the North Korean nuclear weapons issue. With the loss of support from Beijing and Moscow, Kim Il-sung confronted the DPRK's decline in credibility in relations with the ROK and the United States. North Korea could no longer depend on the Soviet nuclear umbrella for defense against "the imperialists."<sup>50</sup> Pyongyang perceived this new reality as a menacing threat to its security, stability, and very survival. Thus, when Pyongyang realized that the loyalty of the USSR was in question, it accelerated its nuclear program. By the time Gorbachev met with South Korean President Roh Tae Woo in San Francisco, Soviet officials were well aware of the advanced nature of North Korea's nuclear program and informed the American government of the DPRK's progress.<sup>51</sup>

The North Korean government used its nuclear weapons program, or the appearance of developing a nuclear weapons program, as a bargaining tactic. This strategy proved to be a great success for Pyongyang, while a source of grave embarrassment for the United States, South Korea, and Japan. By manipulating the international community's fear of its nuclear program and relying on the DPRK's most common diplomatic tactic of "brinkmanship," Pyongyang attracted more attention and exercised more influence over the United States, South Korea, and Japan than since the Korean War. Again and again, the North Koreans have pushed the outside world--and in particular the United States--to the brink of a major international crisis to achieve their aims. It is a familiar pattern in their diplomatic behavior to push an incident involving "the imperialists" as far as they safely can to find out what kind of resistance they meet, then back off, and gain whatever concessions and propaganda value they can. Wagering bets that they cannot cover, Pyongyang has often managed to win, gathering concessions for retreating from a position that it could not cover, were the United States and its South Korean and Japanese allies truly to call its bluff. Given the calculus of political, military, economic, and social "power," realistically North Korea should not have the ability to coerce the United States, South Korea, and Japan in the way that they often do. But through shrewd diplomacy and a stark military lifestyle, the DPRK repeatedly convinces the West--and the United States in particular--that it is better to buy off North Korea than to challenge it.

### **Some Realities on the Korean Peninsula.**

The end of the Cold War has not decreased the long-standing DPRK threat to South Korea. North Korea has about 65 percent of its 1.1 million, well-equipped armed forces deployed forward along the Demilitarized Zone (DMZ) in a posture that is akin to "hugging Seoul." Under present military circumstances, the U.S.-ROK Combined Forces Command, backed up by U.S. reinforcements, would win any mid-to high-intensity conflict on the Korean Peninsula in 120 days or less--but Seoul would be utterly destroyed in the first few days.<sup>52</sup> Given the broad extent of Seoul after years of urban sprawl, that could mean devastation for roughly 11 million people and over 25 percent of South Korea's economy. Also affected would be the roughly 60,000 American military and civilian personnel and their dependents living in the South, mainly in the Seoul area. This is an awesome fact for Seoul and Washington to contemplate. In addition, the DPRK's chemical-and biological-(if not nuclear) capable *Nodong 1* and *Nodong 2* missiles can reach Japan; a much longer-range missile is under development.<sup>53</sup>

These military factors provide the backdrop for DPRK

brinkmanship. Those who argue that the DPRK would never attack south, knowing that this would be a literal act of suicide, are not supported by North Korean rhetoric:

Comrades: Today, our people's army has the heavy and honorable task of reunifying the fatherland with guns in the nineties without fail and completing the Juche revolutionary cause, the socialist cause to the end. . . . Only when we strengthen the people's army, can we crush all challenges of the enemy with revolutionary guns and firmly guarantee the honorable Kim Jong-il era. . . . If the fatherland is not reunified, no officer or man or soldier can say that they have fulfilled their duty and they also do not have the right to die. . . .<sup>54</sup>

There are even scenarios under which a North Korean attack south would not equate with suicide. For example, with severe domestic economic problems and massive hunger, the North leadership seeks to divert the attention of its people by magnifying the external threat from South Korea and its imperialist allies. Additionally, they also question the political resolve of South Korea and the United States. Pyongyang senses the significant political instability and ongoing constitutional crisis in the South. North Korea also assessed that the United States was militarily overstretched by deployments in Bosnia, Haiti, the Persian Gulf States, and elsewhere, and was plagued by political gridlock in a presidential election year.

What if Pyongyang launched a very short-warning attack and, despite suffering massive losses to the high-tech systems of the U.S.-ROK Combined Forces Command, quickly moved to encircle Seoul in a limited attack, halted, made its case to the world community concerning ROK military provocation born of its own political instability, and sued for peace? With tens of thousands of Americans and millions of South Koreans still trapped in the Seoul area, what should be the U.S. response? Or Japan's response? Russia or China? The United Nations Security Council? Does the DPRK have one, two, or more deliverable nuclear weapons? Would they use the chemical and biological weapons we know they can deliver by multiple means? In such a scenario, would an attack be irrational or suicidal?

#### **North Korea's Economic Crisis.**

With the fall of North Korea's East European communist trading partners and the end of the "cordial and generous" economic trade relations with China and the Soviet Union in 1991, the North Korean economy became virtually paralyzed. Pyongyang

looked to these countries for machinery, advanced industrial equipment, fuel, and other vital imports to sustain its economic development.<sup>55</sup> In 1990, Moscow ended its barter trade with North Korea and demanded hard currency for its exports. Pyongyang, unable to pay, reduced its trade with the former Soviet Union from just over \$1.7 billion (at official ruble-dollar exchange rates) in 1990 to approximately \$600 million in 1991--a drop of more than 70 percent in Soviet imports. Imports from the former Soviet Union continued to drop in 1992 and 1993, until import levels sank to less than 10 percent of the average volume of imports that were annually entering the DPRK between 1987-1990.<sup>56</sup>

Among the traded goods, crude oil was dramatically affected. Petroleum imports dropped from 800,000 tons to 30,000 tons in 1991 and 1992.<sup>57</sup> China followed suit and ended its favorable trade relations with North Korea. In 1992, Beijing raised its oil prices close to international market prices and demanded that exports from China be paid with hard currency--the DPRK's scarcest resource.

The sudden demands by North Korea's "allies" and the drop of fuel imports caused a severe energy crisis in North Korea, further exacerbated by a reduction in DPRK coal production.<sup>58</sup> This decline in energy supplies produced devastating effects on the economy. Due to the lack of energy and raw materials, "North Korean watchers" estimated that many of Pyongyang's industries were working at less than half-capacity.<sup>59</sup> The economy contracted by 3.7 percent (1990), 5.2 percent (1991), 7.6 percent (1992), 4.3 percent (1993), and 1.7 percent (1994) respectively.<sup>60</sup>

Food production also dropped sharply. Grain production fell by 12.2 percent in 1990, 8.9 percent in 1991, 3.6 percent in 1992, and 9.0 percent in 1993.<sup>61</sup> In 1994, North Korea finally reversed this downward spiral and achieved a 6.2 percent growth;<sup>62</sup> despite this improvement, North Korea's agricultural sector still could not meet the demands of its populace. The gains of 1994 quickly vanished the following year as waves of unprecedented floods and bad weather destroyed arable lands and exacerbated the country's food problems; the Food and Agricultural Organization and the World Food Programme estimated that North Korea's final 1995 grain production would only reach 4 million tons in 1995, far below the 7 million tons North Korea needed.<sup>63</sup> With the average North Korean citizen eating only two meals a day and receiving but one-fourth of the basic nutritional requirement, United Nations relief officials fear that natural disasters may cause mass starvation. A recent World Health Organization report stated that more than 20 percent of children under 5 years may be already suffering from malnutrition, potentially increasing sharply the infant mortality rate.<sup>64</sup> World relief organizations and foreign governments--including South Korea--have responded to the DPRK's distress call by offering food shipments, medicine, and other humanitarian support, but Pyongyang claims foreign

assistance has been far from adequate.

Seoul, however, believes that the shortages in the north have been exaggerated. South Korean officials argue that Pyongyang could ease the suffering of its citizens if it were willing to tap into the enormous stockpile of food stored to supply the DPRK's massive armed forces in wartime.<sup>65</sup> Moreover, North Korea's crisis is a symptom of its economic isolation and the inefficiencies of a socialist economy. The question is, how much longer can the DPRK continue in a deteriorating state before the country begins to unravel? Probably a lot longer than many analysts think--if the United States, South Korea, and Japan continue the present humanitarian program involving millions of tons of oil and rice.

Under the growing pressures of a deteriorating economy, Pyongyang has been forced to adopt policies that go beyond an orthodox communist command economy, but only under controlled conditions to prevent the disruption of the Communist Party's control. The most notable such effort has been to establish a Special Economic Zone (SEZ) in the remote Rajin-Sonbong region, where it hopes to attract foreign capital and technology. The North Korean leadership is currently trying to sell the zone's many attractive benefits--tax breaks, a cheap and highly skilled labor force, and a potentially large consumer market. Although many foreign countries have shown interest, few have actually invested. An underdeveloped infrastructure, the lack of a banking system, an unstable political environment, and a poor credit history are among the many uninviting characteristics that discourage international investment. South Korean companies have traditionally been among the most enthusiastic investors into North Korea, but Seoul has restricted new investments as long as Pyongyang persists in its recalcitrant rhetoric, efforts to destabilize Seoul, and foot-dragging on the full resolution of the nuclear weapons issue. Without the lead of South Korean companies, it is unlikely other foreign countries will risk investing, particularly when there are other more secure and lucrative markets available, such as Vietnam and Indonesia. The prospects for the Rajin-Sonbong SEZ as a remedy to North Korea's economic deterioration are slim.

### **South Korea's Economy.**

Since the early 1960s, South Korea has experienced extraordinary growth. South Korea's gross national product (GNP) increased from \$1.35 billion in 1953 to \$376.9 billion in 1994. *Per capita* annual income during the same period rose from \$67 to \$8,483, an increase of more than 126-fold. In 1995, South Korea's *per capita* GNP is expected to top \$10,000. During the period 1970-1994, the ROK's annual economic growth averaged 8.1

percent.<sup>66</sup> Estimates are that in 1992 South Korea's total GNP stood 14 times greater than that of North Korea. South Korea's phenomenal growth has been attributed to such factors as its highly-skilled and educated labor force working at low wages; the adoption of foreign technology and capital; an export-led growth strategy; and close state-business relations, which have incurred mammoth political problems.<sup>67</sup>

Seoul's warming relations with Moscow and Beijing opened new economic opportunities for South Korea's economy. Bilateral trade between Russia and South Korea has increased enormously; for the period of 1988-1991, trade averaged an annual growth rate of 68.1 percent. In 1987, trade was a mere \$151 million, but by 1994, it had reached more than \$2.2 billion.<sup>68</sup> More impressive yet are China-South Korea economic relations. Even before China opened direct trade ties with the ROK, indirect trade grew rapidly in the 1980s. The ROK-operated trade promotion organization (KOTRA) and the Chinese Chamber of International Commerce, which had established offices in each capital, reached a bilateral trade volume of \$5.8 billion for 1991.<sup>69</sup> By 1995, the trade volume increased to almost \$17 billion. Today, South Korea is China's fifth largest trading partner, and China is South Korea's third largest.<sup>70</sup> South Korean officials predict that the total trade between the two countries could reach \$50 billion by the year 2000.<sup>71</sup>

### **The Nuclear Issue.**

The nuclear question on the Korean peninsula has provided several occasions for the DPRK to use brinkmanship to push the United States to accede to North Korean demands. Over the past several years, Pyongyang has repeatedly violated its legal obligations under the Nuclear NPT and stonewalled the International Atomic Energy Agency (IAEA), taking relations with the United States close to the brink of war in the summer of 1994. Tensions then were at one of the highest points since the Korean War. Having sent a message to Seoul and Washington in April that they would not extract the fuel rods from their 5-megawatt nuclear reactor without IAEA inspection and supervision, they did just that. In brief, they lied.<sup>72</sup> Then, using a standing invitation for Jimmy Carter to visit and offering an approach which Jimmy Carter told the world on Cable News Network (CNN) was "new" (the light water reactor offer), the North began backing off to get from Washington the very concessions subsequently granted in the Agreed Framework, signed in Geneva on October 21, 1994.<sup>73</sup>

The DPRK has reasons for this behavior. Even before the death of Kim Il-sung in July 1994, it was clear that the North's leadership had concluded that the United States lacked the will

and staying power to manage a crisis on the Korean Peninsula. They decided to go on the offensive by playing their nuclear card. They believed that the United States was unwilling to call their bluff--especially because Seoul became very nervous about the military threat brought on by sanctions. Major questions that surround the nuclear issue remain, and Pyongyang now believes it can play its trump card again when the need arises for concessions from Washington, Seoul, or Tokyo.<sup>74</sup>

Pyongyang gave up very little in the Agreed Framework--only the near-term capability to process more weapons-grade plutonium. This "sacrifice" is minor, especially in light of what they received from Washington, Seoul, and Tokyo: millions of tons of free oil for many years to come; diplomatic equality in negotiations with the United States which, despite U.S.-ROK solidarity efforts, has tended to marginalize Seoul; progress toward ending its external diplomatic isolation while giving up none of the internal isolation upon which the *Juche* system depends; retention of secrecy about its past and present nuclear weapons program for at least another 5 years; and free construction of the infrastructure for light water reactors, with the potential to acquire later the start-up technology from a non-U.S. source.

It is important to note that the political-military value of nuclear weapons for North Korea does not come from possessing a large number of nuclear devices, but from possessing, or being believed to possess, a sufficient number of deliverable nuclear weapons to make it a credible nuclear player.<sup>75</sup> Whatever the actual status of the North's nuclear weapons program, the Agreed Framework permits Pyongyang to conceal details until it is ready to reveal them--which it will probably do in the walkup to another crisis to gain major concessions.

What kind of challenge does the North Korean nuclear weapons program pose for South Korea and the region? First, if Pyongyang does have one or more deliverable nuclear weapons, it can pose a direct threat to its neighboring countries. Second, Pyongyang extracts diplomatic leverage out of the strong suspicions that it has (or is developing) deliverable nuclear weapons. Third, a North Korean nuclear program may influence the decision of other countries to adopt nuclear weapons.<sup>76</sup>

### **Collapse and Reunification.**

The rapidly declining economic condition and uncertainties about Kim Jong-il's hold on power lead many to ponder the possibility of North Korea's collapse.

Seoul fears that a huge migration would occur after a

collapse of communist power as North Korean refugees sought to escape hunger and poverty. As one South Korean economist commented, "Imagine what would happen if even a thousand North Korean refugees came and camped on the banks of the Han River. . . We couldn't handle it."<sup>77</sup>

A more pressing and even more problematic question is what the North Korean military would do in a scenario of an imminent collapse of the DPRK. The answer is that the military would obey its orders. Would it attack the South if ordered to do so? Certainly, it would. Isolated, paranoid, wracked by the "bunker mentality" to take a last grasp at victory or go down buttressed by possession of one or two deliverable nuclear weapons, the DPRK government might order an attack south with conventional weapons, take Seoul, halt, and sue for peace (in the belief that their nuclear weapons would deter a counterattack). In an even worse case scenario, it might use them as a final act of insanity.

Immediate reunification of the Korean peninsula also has its downside. Although both North and South Korea purportedly want reunification, such an act in the immediate future would have a devastating effect on South Korea. Some reports estimate that Seoul would have to invest somewhere between \$200 billion to \$1 trillion to rebuild and modernize North Korea, but no one really knows the true cost. South Korea could not afford an immediate reunification without suffering mass disruption of its society and economy. After seeing the disruption of the rapid German unification and the problems that ensued, many in Seoul's political hierarchy now seek an alternative by which they gradually close the large economic disparity between North and South Korea before reunification takes place.<sup>78</sup>

But for now, Pyongyang determines when and if (and how) reunification would take place--not Seoul, and certainly not Washington.

### **The Road Ahead.**

The two Koreas stand in stark contrast across the board. The North is a rapidly decaying dictatorship with the military capability to inflict severe damage to Seoul and Japan; it has no allies. The South has advanced significantly as a democracy, has a vibrant economy, and has a strong ally in the United States dedicated to its security.

Unfortunately, for the near-term security of the Northeast Asia region, the two Koreas share one thing--severe domestic crises. For North Korea, the crisis is triggered by a crumbling economy and a severe food shortage, approaching famine. For South Korea, a severe political scandal and ruptured party politics

perhaps impel the nation toward constitutional crisis.

Pyongyang, eager to divert the attention of its people away from their domestic problems and, perhaps, sensing political weakness in South Korea, and military over-extension and political gridlock in United States, has put its forward-deployed forces along the DMZ on a high state of alert. The government in Seoul, nervous about DPRK military capabilities and intentions and perhaps itself hoping to divert the attention of its population away from domestic political troubles, has placed its forces on a higher level of alert as well. This mirror-imaging has created high tensions along the DMZ. Wars begin in such circumstances based on accident or miscalculation.

None of the major actors in the Northeast Asia region coordinate their policies toward North Korea very well. The fragile new coordination between the United States, South Korea, and Japan in the Korean Peninsula Energy Development Organization (KEDO) cannot mask important differences in other aspects of policy toward North Korea among Russia, China, the United States, South Korea and Japan. At least the United States, the ROK, and Japan reached a trilateral cooperation agreement on November 17, 1995, in Osaka and met in Honolulu on January 24 and 25, 1996, to discuss aid to North Korea. But, certainly, there is no crisis consultative mechanism in place among the region's major actors. Relations between the two Koreas are approaching a dangerous crossroads.

### **Conclusion.**

The post-Cold War era deepened the isolation and economic deterioration of the DPRK and, conversely, permitted the gradual democratization, rapid economic growth, and enhanced international stature of the ROK. However, the Northeast Asia region has been left with ever-increasing uncertainties. For both Koreas, the rapid strengthening of China, the potential for Japanese remilitarization, and the uncertain stability of Russia are worrying. But the greatest cause for concern for both Koreas remains the terms for the reunification both say they seek. The nuclear Agreed Framework has taken the nuclear crisis off the agendas of Washington, Seoul, and Tokyo for the time being, but that agreement is a frail framework on which to hang our hopes for peaceful reunification. In the meantime, the political-military situation at the DMZ remains fragile.

### **ENDNOTES**

1. Peggy Falkenheim Meyer, "Russia's Post-Cold War Security Policy in Northeast Asia," *Pacific Affairs*, Vol. 67, No. 4, Winter 1994-1995, pp. 495, 496.

2. Alexei Arbatov, "Russian Foreign Policy Alternatives," *International Security*, Vol. 18, No. 2, Fall 1993, p. 496.
3. *Ibid.*
4. Stephen Foye, "Whither Moscow? Domestic Politics and Russia's Assertive Diplomatic Posture," *Post-Soviet Prospects*, Vol. 3, No. 5, May 1995, p. 1.
5. This was written before Yeltsin's reelection in June-July 1996. James H. Brusstar and Ellen Jones, "The Outlook for Russian Foreign Policy: Great Power Restoration," *Strategic Forum*, No. 52, November 1995, pp. 2-3; Stefan Halper, "While We Weren't Watching Russia," *The Washington Times*, January 25, 1996, p. 17.
6. Richard de Villafranca, "Japan and the Northern Territories Dispute: Past, Present, Future," *Asian Survey*, Vol. 33, No. 6, June 1993, pp. 6-12; Alvin Z. Rubenstein, *Soviet Foreign Policy Since World War II: Imperial and Global*, Boston: Little, Brown and Company, 1985, pp. 153-154.
7. Stephen Blank, "Diplomacy at an Impasse: Russia and Japan in a New Asia," *The Korean Journal of Defense Analysis*, Vol. 5, No. 1, Summer 1993, p. 150.
8. Meyer, "Russia Post-Cold War Security Policy in Northeast Asia," p. 496.
9. Peggy Falkenheim Meyer, "Moscow's Relations with Tokyo: Domestic Obstacles to a Territorial Agreement," *Asian Survey*, Vol. 33, No. 10, October 1993, pp. 959-960.
10. Arbatov, p. 37.
11. Meyer, "Russia's Post-Cold War Security Policy," p. 498.
12. *Ibid*, p. 499.
13. Japanese Defense Agency, *Defense of Japan 1995*, Tokyo: Defense Agency, 1995, pp. 45-49.
14. Stephen Cambone, "Revised Draft of the House Wednesday Group Report," unpublished manuscript, Washington, DC: Center for Strategic and International Studies, January 1996, p. 29.
15. Japanese Defense Agency, *Defense of Japan*, 1995, p. 45.
16. General Accounting Office (GAO), *National Security: Impact of China's Military Modernization in the Pacific Region*,

GAO/NSIAD-95-84, June 1995, p. 19-21; Bates Gill and Taeho Kim, *China's Arms Acquisitions From Abroad: A Quest for Superb and Secret Weapons*, SIPRI (Stockholm International Peace Research Institute) Research Report No. 11, Oxford, Great Britain: Oxford University Press, 1995, p. 62; You Ji, "The Chinese Navy and Regional Security," *Asian Defense Journal*, No. 9, September 1995, pp. 12-13.

17. Gill and Kim, p. 55.

18. Research Institute for Peace and Security, *Asian Security, 1993-94*, London: Brassey's Press, 1994, p. 97.

19. Quoted in James Clay Moltz, "From Military Adversaries to Economic Partners: Russia and China in the New Asia," *The Journal of East Asian Affairs*, Vol. 9, No. 1, Winter/Spring 1995, p. 170.

20. *Ibid*, pp. 170-171.

21. The Association of Southeast Asian Nations (ASEAN) was formed in 1967 by Singapore, Thailand, Indonesia, Malaysia, and the Philippines. Newly-independent Brunei joined in 1984. In 1993 Cambodia and Vietnam were granted observer status; Vietnam became a full member in 1995.

22. Larry M. Wortzel, "China Pursues Traditional Great-Power Status," *Orbis*, Vol. 38, No. 2, Spring 1994, p. 164.

23. Daewon Ohn, "The US and Korean-ASEAN Security," unpublished conference paper, First International Conference on "Korea and the Asia-Pacific Region: Political, Security and Economic Strategies for Globalization and Modernization," Los Angeles, CA, Center for Asia-Pacific Studies, December 1994, p. 12.

24. "Asian Nations Will Show the Highest Economic Growth in 1996," *Deutsche Presses-Agentur*, January 22, 1996.

25. John Hsiung, "China's Omni-directional Diplomacy," *Asian Survey*, Vol. 35, No. 6, June 1995, pp. 581-582.

26. "Japanese Foreign Minister Delivers Message of Commitment to U.S.," *The Washington Post*, January 21, 1996, p. A26.

27. Defense Secretary William Perry, unpublished speech, The Japan Society, New York, September 12, 1995.

28. Joseph Nye, "The Case for Deep Engagement," *Foreign Affairs*, Vol. 74, No. 4, July/August 1995, pp. 94-95.

29. Barbara Wanner, "Clinton's No-show in Osaka May Strain US-Japan Ties," *Japan Economic Institute Report*, No. 44, December 1, 1995; Willis Witter, "Clinton's Absence at Trading Forum Worries Japanese; Some Fear US is 'Losing Interest'," *The Washington Times*, November 28, 1995, p. A13.

30. GAO, p. 37.

31. Chalmers Johnson and E. B. Keehan, "The Pentagon's Ossified Strategy," *Foreign Affairs*, Vol. 74, No. 4, July/August 1995, pp. 112, 114.

32. Bruce Stokes and C. Michael Aho, "Asian Regionalism and US Interests," in Gerald Curtis, ed., *The United States, Japan and Asia: Challenges for US Policy*, New York: W.W. Norton and Company, 1994, pp. 123-124.

33. *Ibid*, p. 131.

34. Johnson and Keehan, p. 110.

35. Stokes and Aho, p. 131.

36. For an elaboration of this strategy, see Stephen Cambone, pp. 23-30.

37. Tsuneo Akaha, "Japan's Security Agenda in the Post-Cold War Era," *The Pacific Review*, Vol. 8, No. 1, 1995, p. 47.

38. "Japan--Politics," *Associated Press*, January 22, 1996.

39. "Japan to Announce Defense Policy on Tuesday," *Reuters*, November 27, 1995.

40. Thomas L. McNaugher, "U.S. Military Forces in East Asia: The Case for Long-term Engagement," in Gerald Curtis, ed., *The United States, Japan and Asia: Challenges for US Policy*, New York: W.W. Norton and Company, 1994, pp. 190-192.

41. Ohn, p. 13.

42. William Walker and Frans Berkhout, "Japan's Plutonium Problem--and Europe's," *Arms Control Today*, Vol. 22, No. 7, September 1992, p. 7.

43. Quoted in Robert A. Manning and James J. Przystup, "North Korea: Who is minding the store?," *The Washington Times*, January 24, 1996.

44. The original 1968 NPT prevented the development,

production, and spread of nuclear weapons. North Korea did sign the NPT in 1985, but delayed until 1992 its ratification--a delay widely interpreted as an effort to stall so that it could develop a nuclear industry for weapons production. See Robert Blackwell and Albert Carnesale, eds., *Nuclear Weapons Consequences for U.S. Policy*, New York: Council on Foreign Relations Press, 1993, p. 70.

45. Alvin Rubenstein, "Russia and North Korea: The End of an Alliance?," *Korea and World Affairs*, Vol. 18, No. 3, Fall 1994, pp. 493-494.

46. *Ibid.*, p. 494.

47. Yeo In Kon, "Russia's Policies Toward North Korea," *East Asian Review*, Vol. 6, No. 2, Summer 1994, p. 67.

48. Rubenstein, "Russia and North Korea," p. 497.

49. Banning Garrett and Bonnie Glaser, "Looking across the Yalu: Chinese Assessment of North Korea," *Asian Survey*, Vol. 35, No. 6, June 1995, p. 528.

50. Larry Nixsch, "North Korea's Nuclear Weapon Program," *Congressional Research Service (CRS) Report No. 91141*, July 1992, pp. 4-5.

51. Rubenstein, "Russia and North Korea," p. 494.

52. *Joint Military Net Assessment*, Washington, DC: Office of the Secretary of Defense, 1991, p. 9-2. Subsequent versions of this publication dealing with Korea are classified, but, in the author's view, the analysis in the 1991 version remains generally valid.

53. "North Korea Said to Have Missiles Near South Korea Border," *Reuters*, September 29, 1995.

54. Quoted from the *Pyongyang Times*, December 23, 1993. Chief of the General Staff Vice Marshal Choe Kwang is a member of the Central Committee and the current DPRK's Minister of Defense.

55. Eui-gak Hwang, *The Korean Economies: A Comparison of North and South*, Oxford, Great Britain: Clarendon Press, 1993, p. 194.

56. Nicholas Eberstadt, Marc Rubin, and Albina Tretyakova, "The Collapse of Soviet and Russian Trade with the DPRK, 1989-1993: Impacts and Implications," *The Korean Journal of National Unification*, Vol. 4, 1995, pp. 97-98.

57. Charles Vollmer (Vice President and Partner at Broz, Allen and Hamilton) and I were surprised when, during a 3 1/2-hour meeting with Kim Il-sung on June 28, 1992, he stated, "We have been hurt badly by demands from the former Soviet Union for hard currency."

58. Song-chul Kim, "The Present State and Prospects for North Korea's Reform and Open Up," *Vantage Point*, January 1994, p. 7.

59. *Ibid.*, p. 15.

60. Economic Planning Board (Republic of Korea), *Economic Handbook on North Korea*, Seoul: ROK Economic Planning Board, September 1994, p. 38; "Is There Any Hope for the Slumping North Korean Economy?," *Vantage Point*, November 1995, p. 9.

61. *Economic Handbook on North Korea*, p. 9.

62. "Pyongyang's Agricultural Policies Step Back," *Vantage Point*, March 1995, p. 21.

63. "North Korea--Aid," *Associated Press*, January 12, 1996.

64. "North Korean Children Will Die If No More Aid--WHO," *Reuters*, January 4, 1996.

65. "Brief--North Korea," *Associated Press*, January 11, 1996.

66. Nam Koong Young, "A Comparative Study on North and South Korean Economic Capability," *The Journal of East Asian Affairs*, Vol. 9, No. 1, Winter/Spring 1995, p. 4.

67. "Quality-of-Life Standards Improve Over Past 50 Years," *Newsreview* (Republic of Korea), August 19, 1995, p. 14; Kim In-June, "Korean Economy 50 Years After Liberation," *Korea Focus*, Vol. 3, No. 4, July/August 1995, p. 41.

68. Sang Hun Choe, *Associated Press*, September 28, 1995.

69. Ilpyong J. Kim, "China and the Two Koreas in the Post-Cold War World," *Korea Observer*, Vol. 26, No. 1, Spring 1995, pp. 3-5.

70. "South Korea Tops Germany in China Trade," *United Press International*, January 19, 1996.

71. "Korea, China Still Far from Political Alliance," *Newsreview*, August 26, 1995, p. 10.

72. The author was the messenger. During my fourth and last trip to North Korea in April 1994, this was one of three messages that Kim Yong-sun said I should take back to Seoul and Washington.

73. Kim Il-sung suggested the idea of the light water reactors during our June 28, 1992, meeting.

74. The best estimates contend that the North already has one to three nuclear fissionable devices. Pyongyang gets leverage from uncertainties about whether it has nuclear devices. See testimony by CIA Director James Woolsey, *MacNeil/Lehrer News Hour Transcript No. 4889*, March 21, 1994.

75. Most analysts agree that only three deliverable nuclear weapons are required to be a credible nuclear player. See Marc Millot, Roger Molander, and Peter Wilson, *"The Day After . . ." Study: Nuclear Proliferation in the Post-Cold War World*, Santa Monica, CA: Rand Corporation, 1993.

76. Charles Doran, "Security and Political Economy in U.S.-Asian Relations," *The Journal of East Asian Affairs*, Vol. 8, No. 2, Summer/Fall 1994, pp. 247-248.

77. Hwang, pp. 315-317.

78. Shim Jae Hoon, "The Price of Unity," *Far Eastern Economic Review*, Vol. 155, No. 12, March 26, 1992, p. 55.

## CHAPTER II

### CHINA'S SECURITY POLICY ENTERS THE 21st CENTURY: THE VIEW FROM BEIJING

Paul H. B. Godwin

*. . . a strong and prosperous China is an irreversible historical trend that no outside force can contain.*

#### **Introduction.**

China's foreign policy is caught in a contradiction. On the one hand, Beijing's domestic development goals require China to maintain a constructive relationship with the international system, especially Asia and the West, in order to sustain the investment and trade essential for continued economic growth and modernization. On the other, Beijing's military security objectives are driving it to maintain defense modernization goals which Asia and the United States increasingly view as potentially threatening to the region in the long term.<sup>1</sup> China is, therefore, creating fears within Asia and in the United States that could undermine Beijing's fundamental domestic development goals.

For some years, Beijing has protested that its security policy is defensive and that its military acquisitions and defense expenditures are modest, designed only to enhance China's ability to defend itself. Within Asia, these protestations are viewed with considerable skepticism.<sup>2</sup> Beijing's defense budgets increase year after year. Its military capabilities improve with the assistance of European, Israeli, and especially Russian technology transfers, and a renewed sense of nationalism appears to be the driving force behind Chinese security policy.<sup>3</sup>

This essay will explore Beijing's response to the growing contradiction between a foreign policy devoted to managing, if not resolving, conflicts and potential conflicts with the many states on its borders, and defense programs and policies creating serious apprehension across Asia.

#### **The Origins of China's Post-Cold War Security Strategy.**

Beijing's leaders suffered a series of profound shocks as the Cold War came to its close. With the Sino-Soviet dispute about to be publicly concluded at the May 1989 Gorbachev-Deng summit in Beijing, television cameras from around the globe recorded a city out of control. Thousands of students occupied Tiananmen Square, and hundreds of thousands of their supporters blocked the surrounding streets and avenues. Humiliated, Deng Xiaoping faced a divided leadership as he sought to bring order

to the political heart of China. Failing to do so with the moderate use of police and military forces, Deng compelled a reluctant Chinese People's Liberation Army (PLA) to use lethal force. On the night of June 3-4, order was brutally restored. Beijing's leaders then faced the sanctions and abhorrence of that part of the world they needed most if Deng's goals for developing China were to succeed--the West accompanied by a reluctant Japan.

Even as China was being viewed as a pariah state in the West--a repressive throwback to the darkest days of Mao or Stalin--the people of Eastern and Central Europe cast off their Marxist-Leninist regimes. Communism's retreat continued as Gorbachev dissolved the Communist Party of the Soviet Union. Ultimately, the USSR itself disintegrated and the Union Republics became sovereign entities. China had become the sole remaining communist state of any consequence. Its socialist counterparts in Cuba, Vietnam, and the Democratic People's Republic of Korea were impoverished societies whose economic and political futures were very much in doubt; even in the Mongolian People's Republic communism was tossed aside.

As Marxist-Leninist regimes crumbled in Europe and the USSR, many Western observers asked whether the agony of Tiananmen signaled the beginning of the end for China's communism. It was not only the death throes of European Marxism-Leninism that led to this question. Authoritarian regimes in the Republic of Korea and Taiwan had modified their political systems and moved toward more open and participatory processes as economic development progressed. Dictatorial regimes of whatever ideological bent were seen in the West as polities that had outlived the value they once had--primarily that of ensuring order and stability as their societies passed through the political and societal instabilities that must evidently accompany the complex processes of modernization and the creation of market economies.

China's aging political elite could not but recognize the exhilaration and sense of victory in the West as the Cold War ended and the USSR crumbled. Nor could they miss the sense of triumph as a coalition of Western and non-Western states, organized and led by the United States, crushed the armed forces of Iraq in a brief, brilliant military campaign that emphasized American technological prowess. From the fall of 1989 to December 1991, China's leaders watched the West's jubilant course. What they also saw was their own military security become more certain. If the new Russia should seek in the future to become a world military power, it would not be for decades. Around China's periphery, no state, or any probable combination of states, presented a significant military threat. There were definite apprehensions in Beijing that focused on Japan and India, but there was no major imminent or near-term military threat to China's security--nor would there be for at least the next

decade.

This military security, nonetheless, came at a price. As Soviet-American *rapprochement* was enhanced over the Gorbachev years, so the perceived value of China to the United States deteriorated. The use of lethal force to suppress political expression brought about more than Western sanctions and the status of pariah state to Beijing, it severed the only remaining strong cord binding China to American public opinion--the promise that economic development would lead to political reform. The violence around Tiananmen Square violated that implied promise. China's belligerent response to Western, especially American, sanctions was given further emphasis by the collapse of Marxist-Leninist regimes and the ensuing commitments to democracy and market economies. China's moves toward a mixed economy were now seen as a charade masking an archetypal communist totalitarian regime. To the West, the luster of Deng's reforms had faded.

Adding to China's isolation, Beijing's own "independent foreign policy," pursued since the fall of 1982, ultimately found China without friends or allies. Originally designed to provide China maneuvering space between the two superpowers' global confrontation, the USSR's fall from superpower status and ultimate collapse removed the lever Beijing sought to manipulate through its independence. Beijing's post-1982 security strategy had been based on the assumption that a multipolar world would gradually emerge as the two superpowers reduced themselves to positions of only marginal influence through their mutually deleterious competition. This gradual deterioration of superpower influence would occur as China rebuilt its "comprehensive national power" to a position where Beijing could play a major role in the emerging multipolar international system.<sup>4</sup>

The unexpected and swift extinction of one of the two superpowers did more than simply upset Beijing's strategic timetable. The United States demonstrated diplomatic leadership in its use of the United Nations Security Council to establish a broad political coalition opposed to Iraq's occupation of Kuwait and bind together a multinational military coalition that swiftly and decisively defeated Iraq's seemingly powerful military forces. China's post-1982 security strategy had assumed a balanced erosion of the superpowers' global influence. The emergence of the United States from the Cold War as the world's sole military superpower invalidated China's strategic assumptions, abrogating the underlying logic of Beijing's core security strategy.

Beijing, therefore, entered the post-Cold War era militarily more secure than at any time since the first Opium War of 1840-43, but facing condemnation and punitive sanctions from the Western powers and a reluctant Japan led by the United States.

Furthermore, with the demise of the Soviet Union, the Cold War security value of China to the United States had evaporated. China consequently faced an alienated United States that, as the Cold War's victor, had become the single most influential actor in the international system. Beijing's own certainty that its relationship with Washington had been transformed from Cold War cooperation to post-Cold War contention was confirmed by the U.S. sale of 150 F-16s to Taiwan in the fall of 1992. The sale of advanced fighter aircraft abrogated the 1982 agreement limiting U.S. arms sales to Taiwan, and symbolized Washington's intent to use its new status in the world to seek "hegemonism" through "power politics."

### **Thwarting Isolation: China's Diplomatic Offensive.**

Following China's post-Tiananmen diplomatic isolation, Beijing established a strategy of *zhoubian* (circumference or omnidirectional) diplomacy designed to break out of its political quarantine.<sup>5</sup> Beijing essentially set out to overwhelm the United States with a diplomatic offensive designed to offset any support Washington might seek in its efforts to punish and isolate China. The essence of this strategy was to establish "good neighbor" relations with all of the states on China's periphery or "circumference." With the collapse of the Soviet Union and the U.S. emergence as the world's sole remaining superpower, this policy became central to China's strategy for responding to a monopolar world. In one very important sense, this strategy was extremely successful. China normalized relations with Singapore, Malaysia, Vietnam, South Korea, and Israel, with a total of 15 countries establishing full diplomatic relations with Beijing in 1992 alone. Trade and commerce with Asia expanded, and Japan restored the Official Development Aid (ODA) it had suspended under American pressure in response to the Tiananmen tragedy. Indeed, the most significant symbolic event of the year was a state visit by Japan's Emperor Akahito in October--the first visit of any Emperor of Japan to China.

Even as Beijing's good neighbor strategy was showing success in Asia and elsewhere, relations with the United States were entering yet another downswing. In 1993, the new Clinton administration linked future extension of Most Favored Nation (MFN) trading privileges directly to improvements in China's human rights record. It charged Beijing with transporting poison gas components to Iran; with violating its agreement to abide by the parameters of the Missile Technology Control Regime (MTCR); and with illegally transporting chemical weapons precursors on the vessel *Yinhe*. Finally, the U.S. Congress passed a resolution calling on the International Olympic Committee to deny Beijing's bid to host the 2000 Olympics. In response to what Beijing saw as U.S. "hegemonism and power politics," the fall of 1993 saw China

essentially globalize its *zhoubian* diplomatic strategy. Beijing set out to strengthen its ties throughout Asia, including Central, Southwest and South Asia, and expand its trade linkages with Latin America and Europe. To undermine the Clinton administration's human rights MFN linkage, Beijing cultivated contacts with U.S. corporations conducting extensive business in China, seeing them as allies in gaining MFN extension. The administration's 1994 de-linking of human rights with the extension of China's MFN privilege confirmed in Beijing the success of this latter strategy.

Persistent American attempts to limit China's missile and nuclear technology sales and continuing friction over human rights issues paralleled Beijing's success in undermining U.S. efforts to isolate and punish it for the Tiananmen crackdown and human rights violations. The most serious blow to Sino-American relations came in the summer of 1995, when the United States reversed its previous policy and allowed Taiwanese President Li Teng-hui to make a private visit to the United States. China responded to Li's visit by suspending the military contacts reopened by the United States in the fall of 1993; shelving its "unofficial" cross-Strait talks with Taipei; and launching a series of military exercises designed to coerce Taiwan from making further steps toward *de jure* independence from the mainland. An October summit meeting between Presidents Jiang Zemin and Clinton in New York defused the immediate crisis in Sino-American relations, but failed to resolve the Taiwan dilemma or any of the other issues driving China and the United States apart. As 1995 drew to a close, the United States and China faced each other with suspicion and no little hostility. In Beijing's eyes, the United States was seeking to exploit its presumed post-Cold War status as the world's remaining superpower.

China, however, in the words of James C. Hsiung, sees itself as "too big to punish and too important to isolate."<sup>6</sup> Beijing's violent response to President Li's visit intended to demonstrate clearly that China was not to be deterred by American military power and was willing to challenge Washington's implicit commitment to Taiwan's defense. The military exercises around Taiwan were blatant, coercive diplomacy designed to intimidate Taipei. As such, they served to heighten Asia's apprehensions over China's emergence as a great power, especially over Beijing's military security strategy and defense programs.

### **Defense Policy and China's Post-Cold War Security Strategy.**

The origins of China's current defense policy precede the Cold War's end by a decade or more. In the early 1980s, Beijing's strategists concluded that the vigorous security policy and defense buildup pursued by the Reagan administration were

creating a shift in the balance of power between the United States and the Soviet Union. The new balance, while giving the United States an advantage, would result in a global stalemate between the two superpowers that could continue into the 1990s, and perhaps into the 21st century.<sup>7</sup> This same shift in the global power balance and ensuing superpower standoff would serve to prevent the outbreak of a new world war and even further discourage any potential Soviet attack on China. Beijing's analysts interpreted the shifting global balance as central to an ongoing transformation of the international system. With the USSR and the United States deadlocked in a mutually debilitating confrontation, the growing economic strength of Europe and Asia would permit them greater independence from Moscow and Washington. Thus, Chinese analysts concluded, the overall trend in the international system was toward a multipolar world that would continue to dilute superpower preeminence.

This emerging multipolarity was not viewed as entirely favorable to China's security, even though it made global war unlikely and further diminished the possibility of a Soviet attack on China. Beijing's analysts concluded that reduced superpower influence meant that there was increased probability of small-scale wars flaring up along China's periphery, especially where border and territorial disputes had once been suppressed by the bipolar dynamic of Soviet-American confrontation.<sup>8</sup> The 1985 decision of the Chinese Communist Party (CCP) Central Military Commission (*Zhongyang Junshi Weiyuanhui*--CMC) to redirect China's defense policy and the PLA's preparations for war (*zhanbei*) reflected this perception of the potential military implications of a multipolar international system. The Chinese armed forces were instructed that they were no longer to prepare for an "early, major, and nuclear war." Henceforth, they were to prepare for what the CMC declared to be the most likely form of military confrontation in the future--local, limited war (*jubu zhanzheng*) on China's periphery.<sup>9</sup> With this decision, Beijing's defense policy shifted from a strategy designed primarily to deter the military menace from the USSR to a strategy predicated on the potential for limited, localized wars around China's borders and maritime territories.

Over the years since the 1985, redirection of China's national military strategy, transition to the requirements of local, limited wars, and maritime territorial defense required the PLA to modify significantly the concepts of operations that had become the core of its strategy and to expand the missions of its navy. Modifying these concepts of operations and changing naval missions highlighted the limitations inherent in much of the PLA's obsolescent arms and equipment.

During the many years when Beijing's national military strategy was based primarily on defending continental China

against a possible Soviet attack, the PLA could compensate for its obsolescent arms by utilizing concepts of operations based upon protraction, attrition, and the threat of nuclear retaliation--the so-called "people's war under modern conditions." The core strategy of continental defense, including the capability to conduct offensive operations short distances outside China's borders--fighting "outside the gate"--relied on the sheer size of the PLA and its ultimate defense of falling back into China's interior and exhausting the adversary through protracted war. Even this strategy was not the preferred option for China's military strategists, and in the late 1970s and early 1980s they sought to devise a strategy that would disrupt and blunt the attack closer to the Sino-Soviet and Sino-Mongolian borders.<sup>10</sup> Nevertheless, this adaptation of "people's war under modern conditions" still used the PLA's overwhelming numbers to blunt an assault, with attrition grinding down the attacking forces to the point that the attack had to be terminated.

The distinguishing characteristic of the new strategy was its intent to defeat the adversary close to China's borders, avoiding an endless retreat into the interior. A national military strategy focused on the defense of China's periphery and maritime territories, however, raised new demands on the PLA that numbers alone could not resolve. If, as China's military strategists assumed, these wars would be short and intense, then the PLA's concepts of operations had to change from principles based on protraction and attrition to operations based upon speed, mobility, and lethality. Similarly, weapons fielded by China's armed forces had to be capable of greater range and accuracy under all-weather, day and night conditions in order to ensure success in the critical early engagements of a limited war.<sup>11</sup> People's war, where the enemy was drawn into China and ultimately defeated by a society fully mobilized for protracted conflict, was no longer a feasible strategy. In future limited wars, it was essential that standing forces trained and equipped for quick, effective responses to crises involving the threat or application of military force be ready at all times.<sup>12</sup>

As part of the military adjustment to the CMC's new defense guidance, in the summer of 1985, Yang Dezhi, then the PLA Chief of Staff, announced plans to reorganize the armed forces and drastically reduce them by one million men. He expressed the view that "the strength of an army is not determined by the number of troops, but by the quality of its commanders and fighters, the quality of its arms, and the degree of rationality of its systems and foundations."<sup>13</sup>

As the Cold War drew to its close in the late 1980s, the organizational and doctrinal changes required by the PLA to implement the new military strategy were well underway. China reduced the 11 military regions to 7; restructured the PLA's 36

army corps into 24 combined arms "group armies" (*jituanjun*); transformed the headquarters of the Artillery and Armored Corps into sub-departments of the PLA General Staff Department; and reduced the staffing of headquarters organizations.

These organizational changes complemented the force reduction that had cut the PLA from 4.238 million to 3.235 million personnel, including civilian positions. Beijing eliminated large amounts of obsolescent equipment; it took 10,000 artillery pieces, over 1,100 tanks, 610 naval vessels, and some 2,500 aircraft out of service.<sup>14</sup> Yang Dezhi's "leaner and meaner" PLA was beginning to emerge, accompanied by a new system of recruitment, promotion, and professional military education designed to build a younger, more educated officer corps competent in modern combined arms joint service warfare.

China conducted exercises in 1988 to test the PLA's capabilities to respond quickly and effectively to "border clashes, accidents and local warfare."<sup>15</sup> These maneuvers introduced forces that were to attract considerable attention as the years passed. "Special forces" or "fist" (*quantou*) units undertook commando-like operations during the exercises, and "rapid-reaction" (*kuaisu*) units appeared for the first time. The PLA designated the 15th Group Army (Airborne) as a rapid-reaction unit,<sup>16</sup> as was the newly reestablished [1980] PLA Navy (PLAN) Marine Corps, headquartered with the South Sea Fleet in Zhanjiang, Guangzhou province.<sup>17</sup> Their deployment with the South Sea Fleet clearly identified PLAN Marines as the "fist" or rapid-reaction unit for operations in the South China Sea. Soon, each military region was reported developing fast and rapid reaction units.

The CMC revised naval missions in 1985 to focus on Taiwan and the South China Sea, both of which were seen as containing the seeds of military conflict. Beyond these requirements, however, China's 18,000 kilometers (km) of coastline and some 3,000,000 square km of territorial waters containing numerous islands to defend led to a systematic review of China's naval defense requirements.<sup>18</sup> Liu Huaqing, the navy's commander from 1982 to 1988, instructed the PLAN to prepare a report by the end of the 1980s, laying out the principles and requirements for successful fulfillment of these missions. As a result, in the late 1980s, PLAN's missions were to safeguard China's territorial integrity; to prevent a sea-based invasion of China; and, over the long term, to build a survivable sea-based nuclear retaliatory force. Naval analysts called for a change in strategy from coastal defense (*jin hai fangyu*) to offshore defense (*jin yang fangyu*). In essence, they wanted the navy's defense perimeter to be extended from coastal waters out to between 200 and 400 nautical miles, and even further in defense of territorial claims in the South China Sea. PLAN strategists sought an offshore-

capable navy by 2000, and a "blue water" navy (*yuanyang haijun*) by 2050. These missions would require increased fleet replenishment capabilities, improved amphibious warfare capabilities, and air cover to protect patrols and sea actions extending some 600 miles from China, and even further for potential blue water operations.

### **Defense Policy and Military Technology.**

Revising defense policy underscored the PLA's recognition that its obsolescent weapons and equipment simply were incapable of supporting the military operations envisioned by the new strategy. Even prior to the Gulf War, deficiencies in the PLA's armaments had led Beijing to open a military technology relationship with the United States, Israel, and Western Europe. Sanctions applied to China following the Tiananmen tragedy suspended most of the ongoing programs at a time when the obsolescence of the PLA's arms was highlighted by the 1985 defense guidance. Normalization of relations with Moscow in 1989, however, enabled Beijing to initiate a defense technology linkage with the Soviet Union in 1990 that continued after the USSR's 1991 disintegration.<sup>19</sup> Severe financial needs within the former Soviet Union's defense industrial base, combined with Moscow's desire to affirm a cordial relationship with China, led to what has become Beijing's most fruitful military partnership. Russian cooperation came at a time when the military operations fought by American forces in the *Desert Storm* campaign were seen by Chinese military analysts as demonstrating technology's supreme importance in contemporary and future warfare. Following that war, the rubric under which the PLA trained for war changed from preparation for local, limited war to "limited war under high-tech conditions" (*gaojushi tiaojian xia jubuzhan*).

Liu Huaqing, promoted to senior vice chairman of the CMC and for many years the military official most responsible for directing the technological renovation of China's armed forces, expressed his doubts about the PLA's capabilities to conduct modern warfare in 1993. Liu observed in the pages of the Chinese Communist Party's (CCP) journal, *Quishi*, that the PLA "fails to meet the needs of modern warfare and this is the principal problem with army-building;"<sup>20</sup> his model for modern warfare and the reference point for China's capabilities was specifically the Persian Gulf conflict.<sup>21</sup> Liu Huaqing's concerns covered both training and equipment, contending that in neither case was the PLA prepared to conduct combat operations in the manner now required for success in war.

His commentary underlined the fact that negotiations with Moscow begun in 1990 had resulted in the sale of considerable weaponry to China. Initially, Beijing purchased a regiment of 26

Su-27 *Flanker* interceptors, 10 IL-76 *Candid* heavy-lift transport aircraft, some 24 Mi-17 *Hip* helicopters, and perhaps 100 to 150 S300 (SA-10 *Grumble*) air defense missiles (with U.S. *Patriot* capabilities). In 1995, China bought two additional regiments of Su-27s and four *Kilo*-class (type 636) diesel-electric submarines (SSK). Reports that China is considering a variety of Russian weapons and equipment, including airborne warning and control system (AWACS) equipment or complete aircraft, aerial refueling aircraft, MiG-29 *Fulcrum*/MiG-31 *Foxhound* combat aircraft, licensed production of advanced jet engines for combat aircraft, licensed production of Su-27s, and a variety of other types of equipment, accompanied these known purchases.

Speculation about future purchases stems from President Boris Yeltsin's declaration during his December 1992 visit to Beijing that Russia was willing to sell China "the most sophisticated armaments and weapons," and Moscow's acknowledged sales that year of US\$1.2 billion.<sup>22</sup> A 5-year military cooperation accord signed in Beijing by Russian Defense Minister Pavel Grachev in 1993, and yet another Sino-Russian defense technology agreement signed in December 1995, followed Yeltsin's public commitment. Over the years since 1991, both China and Russia have become sensitive to the concerns raised in Asia and the United States over what is clearly an expanding defense technology partnership. Prior to the military relationship with Moscow, Beijing's defense modernization program was viewed as severely constrained by the known weaknesses inherent in China's defense S&T (science and technology) and industrial base. The Russian linkage is viewed as supplying Beijing with far more than advanced weapons and equipment. Licensed production of advanced military systems accompanied by technical assistance to China's defense industries is already believed to be underway. A Chinese foreign ministry spokesman reflected these widely spread apprehensions when he observed that the 1993 agreement did "not relate, in any way, to the subject of cooperation in military production and arms sales."<sup>23</sup>

These Russian transfers have been accompanied by an expanding defense technology relationship with Israel, most particularly with the F-10 advanced fighter program under development with the Chengdu Aviation Industrial Corporation in Szechuan province.<sup>24</sup> The Chengdu plant also produces China's F-7 fighter, a variant of the MiG-21 *Fishbed*, that has undergone considerable updating with European assistance since the 1980s. It is generally assumed that Israeli assistance to the F-10 includes technology from Israel's cancelled *Lavi* advanced fighter program, and that China is seeking a Russian engine to power the aircraft.

Naval forces are also undergoing modernization programs utilizing extensive technologies from France, the United Kingdom,

Italy, and the United States, with much of the imports occurring before the 1989 sanctions were applied. Production of two new classes of surface combatants, the *Luhu*-class guided missile destroyer (DDG) and the *Jiangwei*-class guided missile frigate (FFG), has begun, and the first of a new series of diesel-electric submarines--the *Song*-class--is undergoing sea-trials. These combatants are being joined by the production of underway replenishment vessels and new amphibious warfare ships.

Improvements in strategic and short-range ballistic missiles complement modernization programs focused on enhancing the PLA's conventional general purpose forces.<sup>25</sup> Three new solid-fueled strategic missiles have been developed. The road or rail-mobile *Dongfeng* (East Wind--DF)-41 with an anticipated initial operational capability (IOC) around the year 2010 has a range of 12,000 km and an 800 kilogram (kg) payload. It will replace the current DF-5A liquid-fueled, 13,000 km-range intercontinental ballistic missile (ICBM). A second strategic system, the DF-31 and its derivative *Julang* (Big Wave--JL)-2, will be both ground- and submarine-based. The DF-31 is a solid-fuel, road-mobile system with a 700 kg payload and a range of 8,000 km. Its offshoot, the JL-2, with an identical range and payload, will arm the follow-on to China's single *Xia*-class nuclear-powered ballistic missile submarine (SSBN). Two tactical, solid-fueled, mobile, short-range ballistic missiles (M9 and M11), designed for battlefield use with conventional warheads, parallel development of these strategic systems. Both systems were developed for the export market. The M-9, known as the DF-15 when deployed by the PLA, has a range of 600 km and a 500 kg warhead. The M-11 reaches out 300 km with a 500 kg payload.

Discussions within China's military academies and research centers of the possible need to modify Beijing's nuclear weapons doctrine accompanied development of new strategic systems.<sup>26</sup> Their analyses indicate that some military strategists wish to change from a strategy of "minimum deterrence," where a relatively small number of single-warhead systems capable of inflicting considerable countervalue damage are viewed as sufficient for effective nuclear deterrence, to a strategy of "limited nuclear deterrence." A strategy of limited nuclear deterrence requires a far larger number of increasingly accurate strategic weapons than China currently deploys because both counterforce and countervalue targets must be threatened, and theater nuclear weapons (TNW) must be available to strike battlefield targets to ensure escalation control. China's current deployment of some 17 ICBMs, 70 intermediate range ballistic missiles (IRBMs), and one SSBN with 12 weapons<sup>27</sup> is insufficient to support any strategy beyond minimum deterrence. Nonetheless, the fact that military strategists are reconsidering Beijing's basic approach to nuclear deterrence demonstrates a lack of confidence in China's current strategy and nuclear force structure, especially as theater and

ballistic missile defenses (TMD/BMD) become more plausible as the 21st century approaches. Deployment of defensive systems would seriously erode China's confidence in its nuclear deterrent.

Despite the weaknesses present in China's military capabilities, as Beijing looks to the next century, there is now a focus and purpose to current defense programs not so clearly evident a decade ago. More importantly for China's near-term concerns, limitations inherent in the obsolescent arms and equipment of the PLA's conventional general purpose forces combine with logistical support and command and control weaknesses to hinder severely Beijing's ability to project and sustain military forces in the Asian region for any length of time--the problem of "short arms and slow legs."<sup>28</sup> Patterns of acquisition and modernization underway for the past decade now clearly demonstrate the intent to develop a regional force projection capability sometime in the early part of the 21st century. Military exercises, technology, and weapons procurement all point to an intent to deploy forces capable of sustained military operations some distance from the mainland. These slowly emerging capabilities have been observed in the context of what is seen as assertive, if not aggressive, policies toward all issues involving Chinese sovereignty.<sup>29</sup>

Beijing's use of belligerent military exercises around Taiwan following President Li Teng-hui's private visit to the United States in June 1995, designed to warn Taipei that a claim of *de jure* independence would result in war, is viewed as but the most recent example of China's deliberate use of force to achieve its foreign policy objectives. Earlier, Beijing's occupation of Mischief Reef in the Spratly Islands (claimed by both China and the Philippines) led to a sharp, potentially military confrontation between Beijing and Manila in February 1995. This encounter served as a reminder of the small March 1988 Sino-Vietnamese naval engagement over yet another Spratly reef.

It is this pattern of military modernization and perceived assertiveness that has raised concerns across Asia and in the United States, especially when Beijing declares that China no longer faces a significant military threat from any major power. For the past several years, Beijing has adamantly denied that its military modernization programs are anything but "defensive," but has been eminently unsuccessful in easing these apprehensions despite the well-known weaknesses within China's armed forces and defense industrial base.

#### **Facing the Paradox--China's Defense of Its New Policies.**

Beijing recognizes that its economic development and defense modernization programs, combined with its assertive sovereignty

claims, have led to profound misgivings about China's future course as its economic and military strength increase.<sup>30</sup> Not the least of the criticism directed against Beijing was the lack of transparency in all of its defense programs. Most major states now publish a defense *White Paper* in one form or another, but China had not done so until very recently. Finally, after several years of unremitting criticism from several Asian states and the United States, Beijing did publish a *White Paper* in November 1995 entitled *China: Arms Control and Disarmament*.<sup>31</sup> While not containing the detail found in white papers from countries such as Australia or Japan, Beijing's response is considered a reasonable first step toward a more transparent defense policy. Publication at this time, however, was prompted by Assistant Secretary of Defense Joseph Nye's November 14-18, 1995, visit, and to counter the pervasive image of a China "threat," intensified by Beijing's attempts to intimidate Taiwan and the clash with Manila over Mischief Reef earlier in the year. The document was undoubtedly a gesture to Nye, demonstrating a desire to develop closer military-to-military ties with the United States through its support for "arms control" and "transparency," and to portray Beijing as a responsible partner in international security affairs--a portrayal much of Asia finds difficult to accept.

China rejects the argument that resurgent nationalism, combined with its evident willingness to use force, has sharpened speculation that the rise of China could have the same disastrous consequences for the 21st century as did the rise of Germany and Japan in the 19th and 20th centuries. Beijing has its own explanation for these new policies. Expansion and conquest are not simply functions of increasing power, the Chinese assert, but of the nexus formed by power, national interests, security environments, and cultural traditions. China's history and Beijing's current policies demonstrate that China has no such expansionist proclivities.<sup>32</sup> These protestations will do little, however, to ease the concerns of those who fear Beijing.

Whereas national survival drove Beijing's defense policy and military strategy in the 1950s, 1960s and 1970s, with the disappearance of this threat to China's survival, argue some analysts, Beijing's security strategy seeks to preserve an international environment where China can pursue its domestic development objectives. In pursuit of these goals, Beijing's defense policy seeks to prevent "wars of aggression" from threatening the nation's economic achievements and to preserve China's territorial integrity. Within this environment, threats to China's security consist of territorial disputes and secessionist movements stirred up by ultra-nationalism.<sup>33</sup>

This virulent form of nationalism, which emerged with the end of the Cold War, has made inroads into Taiwan and "a number

of minority regions."<sup>34</sup> Especially in Taiwan, the new leadership that has taken over from the old-generation Kuomintang (KMT) members is not committed to reunifying China. Li Teng-hui represents this new generation that actively seeks separation from China, beginning with Taipei's quest for "dual recognition" in 1989. The Spratly Islands represent yet but another border problem, but the dispute itself is depicted as "overblown" by the Western media.<sup>35</sup> Facing these and other localized territorial disputes, Beijing's fundamental defense policy is designed to deter potential wars along China's borders, protect its economic interests, and maintain its land, sea, and air territorial integrity. Because improving scientific and technological capabilities will allow China to better exploit its marine and sea-bed resources, Beijing needs a strong navy to protect its maritime resources and sea lanes.<sup>36</sup>

Beijing's military strategy to achieve these ends is defined in terms that are in accord with analyses found in China's military journals over the past decade. In the 1950s, 1960s, and 1970s, the need to defeat a superior adversary threatening China's survival required a strategy of protracted "people's war." Future conflicts will not be for survival, but are more likely to be high-tech, limited wars not fought directly on China's soil. Under these conditions, China must have sufficient military strength to deter such wars and to defeat an adversary at its borders should deterrence fail.<sup>37</sup> Because of these military requirements, despite the absence of a major military power threatening China, defense modernization is still considered to be a cornerstone of Beijing's security policy.

The disappearance of any immediate major military threat, however, has reduced the pressure for urgent military investment. As with the official explanations of China's defense budget over recent years, Beijing's military expenditures are interpreted by comparing annual percentage increases with the declining amount they take from China's gross national product (GNP). Thus, while annual defense expenditures from 1991 through 1995 increased 12.7 percent, 12.6 percent, 12.6 percent, 21.5 percent, and 12.3 percent respectively, the expansion of China's economy over these same years reduced the actual defense burden to the point where it now absorbs only 1.7 percent of the GNP.<sup>38</sup>

Beijing's diplomatic efforts are tailored to complement its defensive security policy and to demonstrate China's peaceful intentions. To ease concern over China's military modernization programs and allay regional apprehensions, Beijing has intensified a program of military-to-military contacts. In 1994 alone, CMC Vice-chairman Liu Huaqing visited Thailand, Indonesia, and Singapore; Chief of Staff Zhang Wannian visited Malaysia; and Defense Minister Chi Haotian visited Russia, Pakistan, and India. China's confidence-building policy included hosting the United

States' Secretary of Defense, Russia's Chief of Staff, the Commander-in Chief of Thailand's armed forces, the Laotian Defense Minister, and Pyongyang's Chief of Staff.<sup>39</sup>

This diplomacy has been accompanied by what the Chinese depict as systematic efforts to resolve peacefully the border disputes and tensions China has with its neighbors. Beijing's sovereignty disagreement with Japan over the Diaoyutai/Senkaku Islands in the East China Sea has been shelved without prejudice. China seeks to follow the same approach with claimants to the South China Sea territories, who, together with Beijing, have convened regular expert working conferences to determine just how joint development should be undertaken without jeopardizing sovereignty. This cooperative approach to border and territorial disagreements is pursued around China's entire periphery. In 1993, Beijing and New Delhi signed an agreement to ensure mutual security along their mutual border; both have reduced the forces they deploy along their frontiers. Moscow and Beijing have resolved 95 percent of their border dispute. In Central Asia, diplomats and military representatives from Kazakhstan, Kyrgyzstan, Tajikistan, Russia, and China have completed 14 rounds of discussions on border troop reductions.<sup>40</sup> Chinese analysts therefore insist that Beijing's policy is to seek peaceful resolution of all its border disagreements, and that charges to the contrary are unfounded. In particular, they protest that the image of China as a "threat" to its neighbors is not only unwarranted, but is fabricated by hostile powers, especially the United States, as part of their strategy to "contain" China.

### **"Containing" China.**

Suspicion simmering in Beijing that U.S. policy seeks not to engage (*jie chu*) but to contain (*e zhi*) China intensified following Washington's granting of a visa to President Li Teng-hui. Increasingly, Chinese analysts and official statements suggest that there is a systematic attempt by the United States and other unnamed "Western countries" to present willfully the image of an aggressive China that will, as it grows more powerful, threaten the stability of Asia. Chinese analysts contend that Beijing's aspirations to sustain a peaceful international environment, develop China economically, and build a defense capability sufficiently strong to deter war and protect its sovereignty are opposed by "a few Western countries" led by the United States. Their goal is seen as preventing China from becoming too strong too quickly.<sup>41</sup> In obstructing China, these countries support separatist movements in minority areas and Taiwan; influence international public opinion to exaggerate the differences between China's central government and the provinces; overstate and embellish intra-party disputes; and magnify

differences between the government and society.<sup>42</sup>

Despite Washington's public commitment to a prosperous, unified, and open China, these analysts view America's actual policy objective as seeking to restrain Beijing's emergence as a great power. They interpret U.S. actions as demonstrating this ambition. Why does the United States commit to sustain indefinitely 100,000 troops in the Asia-Pacific region and enhance its security relationship with Japan? Why induce "some countries" to make sovereignty claims against China? Why does the United States sell "offensive" weapons to Taiwan while strictly controlling military technology transfers to China? Why did Washington permit Li Teng-hui to visit the United States and allow the President to "drop in" and visit with the Dalai Lama, both of whom are trying to split China? Why does the United States insist that China enter the World Trade Organization (WTO) as a developed country despite its clear status as a developing country? Why does Washington attack Beijing's family planning program when China already has too large a population? Why does the United States use human rights as an issue to stir up trouble within China? All of these efforts are viewed as clear indicators that the U.S. true policy toward China is not "comprehensive engagement," but, more accurately, "comprehensive containment." Because the United States cannot gain international support for a policy of containment, Washington is charged with adopting the dual tactic of both engagement and containment, referred to by some American observers as "soft containment" (*ruan e zhi*).<sup>43</sup>

China's belief that the United States is treating it as potentially hostile, and therefore seeks to restrain Beijing's power, originates in Washington's post-Tiananmen sanctions and what Beijing saw as an American attempt, in effect, to isolate China diplomatically. The U.S. aspiration to contain China is now viewed as stemming from the American objective to maintain its "hegemonistic" domination of world politics. Restraining China's emergence as a great power will be frustrated, Beijing's analysts insist, because China is already too strong to contain, especially when the United States can gain so little support for such a policy;<sup>44</sup> "as long as we . . . make no mistakes, a strong and prosperous China is an irreversible historical trend that no outside force can contain."<sup>45</sup>

## **Conclusions.**

Beijing's recognition of a contradiction in the core of its foreign policy came from internal analyses and an expanding chorus of troubled voices across Asia and in the United States. A major component of Beijing's response has been to charge Washington with trying to start a new Cold War in Asia, and with seeking to drive a wedge between China and its neighbors.

Nonetheless, this attack on the United States is actually designed to deflect concerns in Asia stemming from China's nuclear weapons tests, equipment and military technology acquisitions from Russia, and an endless series of essays in PLA professional journals expressing pride in the success of the China's military modernization programs and exercises. When these actions are combined with the aggressive reassertion of China's sovereignty over the Spratly Islands and blatant use of military force to intimidate Taiwan, fear of an ascending China has little to do with American policy or intent.

Defending its foreign policy by highlighting efforts to build confidence and security building measures through border agreements and high-level military exchanges has not compensated for the concerns stemming from Beijing's assertive, if not belligerent, approach to those issues it views as central to its sovereignty. Indeed, Beijing's more accommodating attitude toward contending claims to South China Sea territories seems to have originated in ASEAN's<sup>46</sup> uniformly troubled reaction to the Mischief Reef affair, rather than any considered decision to be more forthcoming in resolving the disputes. When placed in the context of Beijing's proclamation of military modernization successes, the image China presents is far more that of an emerging regional power whose economic and military strength permits it to choose when and where it will accommodate its neighbors.

As China enters the 21st century, Beijing has clearly defined its military security policy (to defend national sovereignty and territories) and its defense strategy (to develop military modernization programs to give it the capability to do so). These capabilities are directed not only at counteracting the current and future strengths of China's immediate neighbors, but also those of major powers, particularly the United States, who may seek to intervene in what Beijing defines as its "internal affairs." Viewed in this light, China's nuclear weapons programs are directed at deterring any attempt to intervene through nuclear threats, such as those used by the United States during the Korean War and during the Taiwan Strait crises of the middle and late 1950s.

The extent to which Beijing will ameliorate in the 21st century what now appears to be a Westphalian *Realpolitik* approach to security with a strategy that accepts the principle that *national* security can be realized within a multilateral security community remains the region's outstanding question. For the moment, at least, Beijing's ambition to play what it perceives as China's rightful role in Asian international security affairs appears to overcome any predisposition to resolve the paradox between force and diplomacy in its foreign policy.

Nor does economic interdependence seem to dull the edge of China's military modernization programs or Beijing's use of force to achieve paramount foreign policy objectives. Rather, Beijing is using the attraction of its vibrant economy to induce cooperation from its neighbors even as China's military capabilities increase. In this sense, Asia's response to China's ascending economic and military strength has been to assist in Beijing's domestic development goals induced by profit and, perhaps, the belief that as China grows stronger it will also be more confident and therefore less suspicious of the world around it. It is equally probable, however, that Asian capitals view China's ascent to regional preeminence as inevitable; therefore, prudence requires bandwagoning rather than balancing. To the extent that China must be balanced, they see this role as best reserved for the United States. Thus, Beijing's perception of the United States as seeking to contain China may well be rooted as much in its understanding its neighbors security logic as in the underlying intent of American strategy in the Asia-Pacific region. Should this, in fact, be the basis of Beijing's security logic for the 21st century, Sino-American relations will become both more critical and more hazardous for regional peace and stability as that century unfolds. China's past willingness to confront the United States is a foreboding precedent.

#### **ENDNOTES**

1. See Robert G. Sutter's discussion in *China As A Security Concern in Asia: Perceptions, Assessment, and U.S. Options*, Congressional Research Service (CRS) Report for Congress 94-32 S, Washington, DC: Congressional Research Service, The Library of Congress, January 5, 1995.

2. For example, see Nayan Chanda, "Defense: Fear of the Dragon," *Far Eastern Economic Review*, Vol. 158, No. 15, April 13, 1995, pp. 19-28.

3. For Asia's concern over China's rising nationalism, see Nayan Chanda and Karl Huus, "China: The New Nationalism," *Far Eastern Economic Review*, Vol. 158, No. 45, November 9, 1995, pp. 20-28.

4. These trends were identified as early as 1983. See, for example, Zong He, "Changes and Developmental Trends in the International Situation," *Shijie Zhishi*, No. 11, 1983, in *Foreign Broadcast Information Service, Daily Report-China* (henceforth *FBIS-CHI*)-83-141, July 21, 1983, pp. A1-A5.

5. Much of the following discussion is taken from James C. Hsiung's insightful "China's Omni-Directional Diplomacy: Realignment to Cope with Monopolar U.S. Power," *Asian Survey*, Vol. XXXV, No. 6, June 1995, pp. 573-586.

6. *Ibid.*, p. 584.
7. Xing Shugang, Li Yunhua, and Liu Yingna, "Soviet-American Balance of Power and Its Impact on the World Situation in the 1980s," *Guoji Wenti Yanjiu*, No. 1, January 1983, in *FBIS-CHI-83-078*, April 21, 1983, pp. A1-A12.
8. Zong He, pp. A1-A5.
9. See Generals Zhang Zhen and Li Desheng's discussion of the Central Military Commission's May-June 1985 guidance on China's national military strategy at a meeting with the *Jiefangjun Bao* editorial board reported in *Ta Kung Pao* (Hong Kong), February 16, 1986, in *FBIS-CHI-86-032*, February 18, 1986, pp. W11-W12.
10. Paul H. B. Godwin, "China's Defense Modernization: Of Tortoise Shells and Tigers' Tails," *Air University Review*, Vol. 33, No. 1, November-December 1981, pp. 2-19.
11. Discussions covering all these demanding facets of the requirements for limited, local war can be found in essays published in Chinese military journals in the late 1980s. Two of the more interesting analyses are Jia Wenxian, et al., "Tentative Discussion of the Special Principles of a Future Chinese Limited War," and Jiao Wu and Xiao Hui, "Modern Limited War Calls for Reform of Traditional Military Principles," both in *Guofang Daxue Xuebao*, No. 11, November 1, 1987, in *Joint Publication Research Service, China Report* (henceforth *JPRS-CHI*)-88-039, July 12, 1988, pp. 47-51.
12. Jia Wenxian, et al., p. 48.
13. Yang Dezhi, "A Strategic Decision in Strengthening the Building of Our Army in the New Period," *Hong Qi*, No. 15, August 1, 1985, in *FBIS-CHI-85-153*, August 8, 1985, p. K3.
14. *China: Arms Control and Disarmament*, Beijing: People's Republic of China (PRC) Information Office of the State Council, November 1995, p. 8.
15. Xu Jingyao, "1988: A Year of Reform for the Chinese Army," *Liaowang* [overseas edition-Hong Kong], No. 3, January 16, 1989, in *FBIS-CHI-89-014*, January 24, 1989, p. 36.
16. Tan Jun and Hong Heping, "A 'Fist Battalion' of a Certain PLA Airborne Unit," *Jiefangjun Bao*, June 14, 1988, in *JPRS-CHI-88-153*, August 9, 1988, pp. 59-60.
17. Deng Huaxu and Li Daoming, "A Visit to the PLA Marine

Corps," *Renmin Ribao* [overseas edition], August 2, 1988, in *FBIS-China-88-148*, August 3, 1988, p. A2.

18. For an excellent review and summary of the evolution of the PRC's naval strategy, see John W. Lewis and Xue Litai, *China's Strategic Seapower: The Politics of Force Modernization in the Nuclear Age*, Stanford, CA: Stanford University Press, 1994, pp. 219-230.

19. Much of this discussion is taken from Tai Ming Cheung, "Ties of Convenience: Sino-Russian Military Relations in the 1990s," in Richard H. Yang, ed., *China's Military: The PLA in 1992/93*, Boulder, CO: Westview Press, 1993, pp. 61-77.

20. Liu Huaqing, "Unswervingly March Along the Road to Building a Modern Army with Chinese Characteristics," *Jiefangjun Bao*, August 6, 1993, in *FBIS-CHI-93-158*, August 18, 1993, p. 18.

21. *Ibid.*

22. Lena Sun, "Russia, China Set Closest Ties in Years," *The Washington Post*, December 19, 1992, p. 10.

23. Quoted in *Agence France Presse* (AFP), Hong Kong, November 11, 1993, in *FBIS-CHI-93-217*, November 12, 1993, p. 2.

24. For a discussion and analysis of Russian and Israeli assistance to China's fighter programs, see Kenneth W. Allen, Glenn Krumel, and Jonathan Pollack, *China's Air Force Enters the 21st Century*, Santa Monica, CA: RAND, 1995, pp. 146-161.

25. For details of China's ballistic missile programs, see John W. Lewis and Hua Di, "China's Ballistic Missile Programs: Technologies, Strategies, Goals," *International Security*, Vol. 17, No. 2, Fall 1992, pp. 5-40.

26. For a detailed analysis of these discussions and analyses over the past decade, see Alastair Iain Johnston, "China's New 'Old Thinking'," *International Security*, Vol. 20, No. 3, Winter 1995, pp. 41-77. Much of my discussion is taken from Johnston's work.

27. *The Military Balance 1995-1996*, London: Oxford University Press, 1995, p. 176.

28. As late as May 1994, *Jiefangjun Bao* was using this phrase to describe the PLA's weakness. See, for example, *PLA Activities Report* (Hong Kong), May 1994, p. 17.

29. See, for example, Chen Jie, "China's Spratly Policy: With Special Reference to the Philippines and Malaysia," *Asian*

Survey, Vol. 34, No. 10, October 1995, pp. 893-903.

30. This growing fear of China is acknowledged in the *United States Security Strategy for the East Asia-Pacific Region*, Washington, DC: Department of Defense, Office of International Security Affairs, February 1995, p. 15.

31. *China: Arms Control and Disarmament*, Beijing: PRC Information Office of the State Council, November 1995.

32. Yan Xuetong, "Economic Security, Good Neighbor Policy Emphasized in Post-Cold War Security Strategy," *Xiandai Guoji Guanxi*, No. 8, August 20, 1995, in *FBIS-CHI-95-199*, October 16, 1995, pp. 8-13, contains the most detailed defense of China's security policy, and much of my discussion is taken from this essay.

33. *Ibid.*

34. *Ibid.*, p. 8.

35. *Ibid.*, p. 9.

36. *Ibid.*, p. 10.

37. *Ibid.*, p. 11.

38. *Ibid.*

39. *Ibid.*

40. *Ibid.*, p. 12, and Sun Baoyu, "1995 Witnesses Marked Progress in China's Active Diplomacy Toward Neighbors," Beijing, *Xinhua Domestic Service*, December 18, 1995, in *FBIS-CHI-95-243*, December 19, 1995, pp. 1-2.

41. Yan Xuetong, "Forecasting International Politics at the Beginning of the Next Century," *Xiandai Guoji Guanxi*, No. 6, June 20, 1995, in *FBIS-CHI-85-182*, September 20, 1995, pp. 3-9.

42. *Ibid.*, p. 9.

43. Wei Yang, "How We Should Understand and Face the World," *Liaowang*, No. 50, December 11, 1995, in *FBIS-CHI-95-242*, December 18, 1995, pp. 1-2.

44. Lu Shi, "A 'Daydream' That Is Doomed To Be Shattered -- Refuting the 'Theory of Containing China'," *Guangming Ribao*, August 25, 1995, in *FBIS-CHI-95-194*, October 6, 1995, pp. 3-6.

45. Wei Yang, p. 2.

46. The Association of Southeast Asian Nations was formed in 1967 by Malaysia, the Philippines, Indonesia, Singapore, and Thailand. Newly-independent Brunei joined in 1984. Vietnam and Cambodia were granted observer status in 1992; Vietnam became a full member in 1995.

## CHAPTER III

### PAKISTAN'S SECURITY IN THE "NEW WORLD ORDER": GOING FROM BAD TO WORSE?

Robert Wirsing

#### Introduction.

Pakistan's security environment today bristles with developments that are every bit as ominous as any in previous decades. Pakistan's ties to major power wielders in the international community have grown perilously thin, and no major power seems likely to come to its rescue in the event of crisis. The arms gap (conventional and nuclear) between Pakistan and India is as wide as ever, and chances are it will grow wider yet. Pakistan's internal stability and political unity are being seriously eroded by intensifying ethnic and sectarian strife, like that which is turning Karachi, the country's principal port and industrial hub, into a global emblem of uncontrolled violence and lawlessness. Pakistan's deepening involvement in (direct or proxy) military hostilities with its neighbors, India and Afghanistan, threatens to spiral into still more serious armed conflict, thwarting all efforts to promote regional cooperation and increasing doubts even about the integrity of the contested stretches of its lengthy international borders.

In recent decades, Pakistan's leaders have displayed considerable prudence in managing Pakistan's security policy. They deserve commendation, in particular, not only for having kept Pakistan out of a major war with its neighbors, especially India, during the quarter century since defeat at New Delhi's hands in 1971, but also for having resisted the temptation to move further up the ladder of nuclear weapons development. But, in the face of stunning recent reversals in Pakistan's geostrategic fortunes, fundamental shifts in its security environment (most importantly, the abrupt and nearly complete rupture, upon the collapse of Soviet Communism, in Pakistan's Cold War-motivated alliance with the United States) and the swift, severe, and parallel deterioration in the first half of the present decade in the country's relations with two of its neighbors, India and Afghanistan, Pakistan will continue to be excessively preoccupied with national security and, potentially, a heightened risk of war.

The subcontinent's nuclear peril obviously exists. In neither Pakistan nor India, however, does one find in ruling circles much interest in fighting (even less in funding!) an all-out war, certainly not one fought with nuclear weapons. Indian and Pakistani leaders have already gotten the message, even if

they do not accept all of its implications.

As Pakistan approaches the 50th anniversary of its founding in 1947, its security predicament seems to have grown no less severe (and maybe worse) than ever before. The costs of this for Pakistanis--in almost any way that one might reckon them--have been great in this century, and they will be just as great (or greater) in the next, whether or not there is war. Hence, even if we grant that Pakistan's security policies have been relatively successful thus far, we should not hesitate to consider at least some modification of them to meet the challenges of the next century.

A review of Pakistan's options in this regard--identified broadly here as the Pan-Islamic (transnational religious identity) Option, the Domestic Liberalization (demilitarizing, democratizing, or "decentering") Option, and the South Asian Regional Cooperation (SARC) Option--reveals no simple answers. Each entails considerable risk, and unqualified virtue (certainty of payoff in terms of Pakistan's future security) is self-evident in none of them. Quick, self-directed escape from its costly and perilous circumstances, for the moment at least, thus appears unlikely.

Time seems not to be on Pakistan's side, and however unpalatable the policy alternatives may seem, its leaders' willingness to risk applying them cannot be put off indefinitely. The most promising immediate policies converge upon the third (SARC) Option. The SARC Option stops well short of the politically impractical, India-centered, and, not infrequently, utopian regionalist projects that Pakistan has, understandably, dismissed in the past. Measures that could set in motion a process of accommodation with Pakistan's arch-rival, India, particularly in relation to Kashmir, are recommended.

#### **Pakistan's Security Situation, 1996.**

Sandy Gordon recently argued that the end of the Cold War had differential results in South Asia; India emerged the winner and Pakistan the loser. He wrote:

Far from having lost out as a result of the end of the Cold War, India is poised to emerge in the early 21st century as a far more important and influential power in the Indian Ocean region, and even globally, than it was in the latter part of the 20th. Some of the constraining factors in India's rise to power, particularly domestic and regional South Asian instability, are still present and will continue to snap at India's heels for some years to come. But the

end of the Cold War has also enabled India to jettison some of the more burdensome foreign and economic policies that had constrained it in the past.<sup>1</sup>

In sharp contrast, Gordon concluded, "Pakistan, which has long been India's only serious competitor in South Asia, has lost out seriously as a result of the end of the Cold War. While India suffers from internal instability, Pakistan's problems are potentially far more serious."<sup>2</sup>

India's ability to take advantage of the potential benefits to it of the Cold War's end may be exaggerated. The insurgencies in its politically-disturbed periphery--Kashmir, the Punjab, Assam and the tribal areas of the northeast--are proving extremely expensive and difficult to eradicate. Enormous problems of rural poverty, disease, environmental degradation, and overpopulation remain largely unaddressed. Most authoritative studies of contemporary India's political institutions speak more of their frailty and decline than of their durability and promise.<sup>3</sup>

Nevertheless, Gordon's placement of Pakistan on the losing side in South Asia undoubtedly hits close to the mark. Being "on the losing side" in the post-Cold War world is revealed in four areas: loss of international support, a permanent arms gap, ethnic and sectarian hostilities, and military confrontation with India and Afghanistan.

#### **Loss of International Support.**

Surely the most obvious and unambiguous (and least unexpected) sign of Pakistan's post-Cold War slippage in standing was Washington's apparent decision, made very quickly following the Soviet Union's unilateral and unconditional withdrawal from Afghanistan in February 1989, to shed itself of its costly and politically burdensome role as Pakistan's military and diplomatic backer. This decision took its most massive material form in October 1990, when President George Bush, after a year's warning, declared his inability to meet presidential certification any longer. This action, required annually by the 1985 Pressler Amendment, to confirm that Pakistan "does not possess" a nuclear explosive device, thus cut off the flow of economic and military assistance for Pakistan inaugurated a decade earlier. That step, which resulted in Pakistan's sudden free-fall from near top-ranking among a 100 or so recipients of U.S. security assistance for much of the 1980s into full-fledged nuclear pariah status in the 1990s, had been foreshadowed the preceding March by the entirely symbolic, but--for Pakistan--equally shattering revelation that the Bush Administration no longer considered India and Pakistan bound by the provisions of the late 1940s

United Nations (UN) resolutions stipulating that a plebiscite be held to settle the matter of Kashmir's territorial affiliation.<sup>4</sup>

The nearly complete Pressler Amendment-mandated aid-cutoff has now entered its 6th year. Joint efforts by the Clinton White House and Pakistan's (mainly Republican) sympathizers in the Republican-controlled 104th Congress finally resulted in agreement between both houses on October 24, 1995, on a tightly worded amendment (the Brown Amendment) to Section 620E of the Foreign Assistance Act of 1961. It authorized a one-time delivery to Pakistan of \$368 million in U.S. military equipment contracted for prior to October 1, 1990. The Brown Amendment explicitly excluded from the exemption the 28 F-16 combat aircraft which Pakistan had also ordered and for which it had already paid \$658 million, though the amendment authorized the government to reimburse Pakistan as much as it could from the sale of the aircraft to third parties.<sup>5</sup>

These moves by Washington to put U.S.-Pakistan relations on a more normal footing are certainly to be welcomed. They pave the way for increased bilateral cooperation on a great many matters of mutual interest; perhaps equally as important, they imply America's recognition that its interests in South Asia do not begin and end with nuclear nonproliferation. The Pressler Amendment's passage may have made some sense in the middle of the last decade. It was a compromise arrangement that at least kept at bay Washington's army of energetic anti-proliferation gadflies, who might otherwise have obstructed congressional support of the executive branch's Afghanistan-driven security assistance program for Pakistan. But it obviously did very little to ease the threat of nuclear proliferation in the subcontinent, while having a positively devastating impact on Pakistan's military capabilities relative to India. Congress was mistaken in thinking that Pakistan could be starved into nuclear abstention by conditioning U.S. aid on termination of its nuclear weapons program. Overlooked, apparently, were India's much older, more advanced, and larger nuclear program, the relative immunity of that program from Washington's pressure due to India's greater size and military power, and--above all--Pakistan's natural dread of an Indian nuclear monopoly.

Washington's decision to unclog the aid pipeline to Pakistan scarcely begins to address Pakistan's security dilemma. After all, the Brown Amendment, in authorizing a one-time lifting of the ban on weapon sales, did not repeal the Pressler Amendment or sanction reopening of major military sales. Neither did it reverse Washington's earlier decision to force Pakistan's return of eight leased U.S. frigates and destroyers, replacement of which will be extremely costly for the Pakistani Navy. No one can reasonably contend, moreover, that delivery of \$368 million worth of arms, including 24 M198 howitzers, 135 anti-tank TOW

launchers, 28 *Harpoon* anti-ship missiles, 3 *Orion* P-3C reconnaissance aircraft, and assorted other spare parts and items, will, by itself, seriously rattle the India-Pakistan arms balance, when annual combined arms spending by these two countries in recent years runs in the vicinity of \$12 billion.<sup>6</sup> No persuasive case, finally, can be made that there is a "hidden agenda" of renewed alliance with Pakistan in the U.S. Department of Defense's current plans for joint military exercises, military education exchanges, or expanded "cooperation with Pakistani military forces in counter-narcotics, counter-terrorism, and peacekeeping activities."<sup>7</sup> In the face of Washington's remarkable recent upgrading of India's global importance, and the still more impressive growth in U.S. economic ties with India, the existence of any such Pakistan-led agenda strains credulity.

Beyond the immediate arms sale issue, in any event, lies the greater security problem for Pakistan--the gradual drying up of any promising alliance prospects to serve Pakistan's stock requirement for great-power insurance against Indian military might.<sup>8</sup> An "Islamic bloc" solidly aligned behind Pakistan has failed utterly to materialize. There are signs of slackening as well in the fidelity to Pakistan even of China, the consistency of whose support for Pakistan over the past 30-odd years has been, at least by American standards, quite remarkable. In China's case, at least, the signs are not all negative. Fairly credible reports surfaced during the summer of 1995 that Beijing had exported to Pakistan in late 1992 over 30 nuclear-capable M-11 ballistic missiles.<sup>9</sup> China continues to maintain a very close working relationship with Pakistan's avionics and other defense industries.<sup>10</sup> But, Beijing has retreated in recent years to a conspicuously neutral position on Kashmir, unquestionably an important litmus test of friendship from Islamabad's point of view, and China's steadily expanding *rapprochement* with India, as Sandy Gordon has observed, "has provided India with a significant peace dividend in the context of its competition with Pakistan."<sup>11</sup>

### **Permanent Arms Gap.**

A second ominous feature of Islamabad's post-Cold War security environment is the arms gap that exists between Pakistan and India. What is particularly ominous about this gap, of course, is not that it exists. After all, a large disparity in both the size and equipment of their armed forces has been a constant from the moment these forces were parceled out to the two sides at the time of Partition. Use of the term "ominous" does not mean to imply in any way that Pakistan's armed forces deserve to be described as puny, pint-sized--a mere David pitted against the Indian Goliath. India and Pakistan are *both* unquestionably formidable military powers; among the so-called

developing countries, there are very few militaries, in fact, that deserve to stand in the same column with either of them. India without any doubt possesses the capability on fairly short order literally to devastate Pakistan--or at least a fair share of it. But Pakistan, even if fighting was restricted to conventional weapons, just as surely has the capability to inflict terrible, and unacceptable, damage upon India. The ominous part of the gap, from the Pakistani point of view, stems rather from India's greater ability to widen it, at least over the long haul, and to do so more autonomously of external constraints than has ever been true for Pakistan. India, in other words, with its vastly greater size, resources, population, economy, technically-trained workforce, and defense industrial infrastructure can set a harsher pace, if and when it chooses, with regard to the acquisition of both conventional and nuclear arms.

Tables 1-6 (see pages 92-95) indicate that in comparisons of military expenditure, number of troops, arms imports, arms production, defense industry employment, and size of defense sector enterprises, India has generally ranked first or second among developing countries in most categories, and never less than third. Pakistan does not appear in all the tables, but when it does, it ranks between 7th and 12th among developing countries.<sup>12</sup> When it comes to indigenization of arms production, an indicator as much of security decision-making autonomy as of military capability, the gap between India and Pakistan is unmistakably--and irremediably--huge.

Nevertheless, there is nothing in these comparative figures to dispute the contention, made most recently by Amit Gupta, that, in its attempts to build military capability, India encounters the same kinds of structural constraints, economic and otherwise, facing Pakistan and other Third World states, and that it will be no small matter for India to overcome these constraints and to "make the jump to major power status."<sup>13</sup> Substantial cutbacks in the rate of growth of defense expenditures during the past decade by India and Pakistan testify to the difficulties both sides had in sustaining major defense outlays in the face of chronic weaknesses in their economies and depressed social indicators, such as poor health conditions and low rates of literacy.<sup>14</sup> Should India and Pakistan not succeed with present economic reform efforts, their budgetary difficulties will surely deepen. Pakistan, at least, could take comfort from the fact that over the past three decades it had registered the region's fastest average annual growth in Gross Domestic Product (GDP)--7 percent, while India's growth rate, with the exception of 1995, which reached a remarkable 6.2 percent, had generally hovered at less than 5 percent. However, Pakistan's more recent growth rates (3.9 percent in fiscal year 1993-1994 and 4.7 percent in fiscal year 1994-1995 in the face of

Pakistan's annual population growth (seemingly fixed at 3.1 percent)--contrasted with India's recent performance--left it currently with little to cheer.<sup>15</sup>

None of this alters the fact that *in the South Asian regional context*, Indian military supremacy is a permanent fixture of life.<sup>16</sup> While India's military achievements may seem minor in comparison with the great military powers of the advanced industrial world, in relation to Pakistan, where any aspiration to major power status would have to be judged purely fanciful, India's achievements in the military realm stand out very sharply indeed. Only time will tell, of course, but Pakistani security planners have little choice but to take seriously the forecasts of two Australian defense experts, Paul Dibbs and Sandy Gordon. Writing in *Jane's Intelligence Review*, Dibbs predicted in May 1995 that the military capabilities of Asia's three major indigenous powers, China, Japan, and India, provided they managed to sustain economic growth, would all be "substantially greater" by the year 2010;<sup>17</sup> Gordon, in one of the most solid studies of Indian defense capabilities yet authored, offered the even more menacing opinion that Pakistan's ability to act as a check on Indian power seemed to have eroded, and that its "military competition with India may well become unsustainable by the end of the century."<sup>18</sup>

#### **Ethnic and Sectarian Hostilities.**

Pakistan is a multi-ethnic, overwhelmingly (97 percent) Muslim society with a fairly weak sense of national (Pakistani) identity. This weakness already contributed to the loss of its heavily-populated eastern province (East Bengal) in 1971. It has contributed to separatist sentiments and violent secessionist activities both before and since then in all of the three "minority" provinces--Sindh, Baluchistan, and the North West Frontier Province (NWFP).

Pakistan today contains five major ethnic groups: Punjabis, Pashtuns, Sindhis, Mohajirs (refugees or refugee-descendants from India), and Baluch--with the Punjabis, representing about 58 percent of the total (48 percent if speakers of the Siraiki dialect are excluded), holding a clear numerical edge. Internal migration has resulted in considerable mixing of these groups; however, as a rule, Punjabi-speakers are centered in Punjab, Sindhi-speakers in Sindh (especially rural Sindh), Pashtu-speakers in the NWFP, the Urdu-speaking Mohajirs in urban areas of Sindh (Karachi, Hyderabad, Sukkur), and Baluchi-speakers (and related Brahui-speakers) in Baluchistan.

Ethnic Punjabi numerical dominance, the country's overwhelmingly Muslim character, plus the fact that Urdu (by

world standards an exceptionally successful *lingua franca*) is now spoken by perhaps 90 percent of Pakistan's population, give Pakistan a degree of ethnic, linguistic, and religious homogeneity and "natural" unity enjoyed by very few countries of the Afro-Asian world. On the other hand, the Punjabis' numerical weight has been matched by their domination of the government, armed forces, and the economy. Thus, they are, to an extent, feared and resented by Pakistan's minority communities--a structural impediment to the country's unity that defies easy solution. Adding to the problem is the fact that Pakistan's overwhelming Muslim majority is itself subdivided into numerous competing sects; while the country's Muslims are approximately 80 percent Sunni, the Shia minority is highly mobilized politically.

Contributing further to the disunity problem is the fact that practically all of Pakistan's ethnic groups share ethnic identity with groups across the country's borders in Iran (the Baluch), Afghanistan (the Pashtuns, the Baluch), and India (the Mohajirs, Sindhis, and Punjabis, albeit in these cases their Indian co-ethnics are more likely than not to be non-Muslims). Thus, there is a serious problem of ethnic overhang or "trans-border ethnicity" to complicate Pakistan's problem of national integration. This would vastly complicate as well Pakistan's national security by throwing into doubt the durability of at least some of its international borders, while rendering its ethnic unrest more vulnerable than it might otherwise be to incitement from abroad.

At the moment, ethnic separatism is not a significant threat in the NWFP, where the Pashtunistan movement (the quest for a separate Pashtun-led entity) is mainly moribund and, beyond that, tends to be seen less as a product of grievances of indigenous Pashtuns, whose integration into Pakistan's military, bureaucratic, political, and business elites has, in fact, been quite remarkable, than as a device exploited and fostered at times by hostile governments in Afghanistan.<sup>19</sup> Pashtun nationalism is by no means a thing of the past, however, and seems bound to become a more troublesome problem for Pakistan in the next several years. Afghanistan, whose population is generally estimated to be about 50-55 percent Pashtun, has experienced almost unceasing and extremely disruptive civil strife ever since the Soviets vacated the land in 1989.<sup>20</sup> The warring factions have very complex motivations and ethnic identities; but, underlying the present struggle is a profoundly important macro-conflict between the majority Pashtuns and non-Pashtun minorities for control of the country's central governmental apparatus. The eventual outcome of this struggle, which at least one author believes may spell the end of Pashtun dominance in Afghanistan,<sup>21</sup> will undoubtedly also affect severely, perhaps in violent ways, the Pashtun population in Pakistan. The revolt of Islamic extremists in the Malakand Division of the NWFP in late 1994<sup>22</sup> and

the spectacular car bombing that took over 40 lives in Peshawar in late December 1995, may well be early indications of this.

The focal point of the worst current ethnic violence in Pakistan is the southern province of Sindh, and in particular its industrial center and port city of Karachi, where, during 1995, an extremely lethal mix of inter-ethnic (primarily, but by no means exclusively, Mohajir versus Sindhi), sectarian, and political animosities resulted in 25 economically-ruinous citywide strikes and a reported 1,950 killings.<sup>23</sup> The Sindhis, who number fewer than 10 percent of Karachi's population, and who command, at most, only a bare majority of Sindh's provincial population, resent domination by outsiders and point to their own conspicuously prominent place at the bottom of Pakistan's socio-economic hierarchy. The Mohajirs, on the other hand, recall earlier decades, when Pakistan was new and they shared with the Punjabis political and economic domination of the country's fledgling political and economic institutions. Having lost in more recent years some of their original importance, in part due to deliberate government ethnic preference programs aimed at boosting the indigenous Sindhis, the Mohajirs (who still represent as much as 70 percent of Karachi's population) have been attracted in recent decades to the radical and often violent agendas of the Mohajir Quami Mahaz (MQM) Refugee National Movement. Her own major political base being in the Sindh and among Sindhis, Prime Minister Benazir Bhutto faces extraordinary political risks in attempting to resolve the problems of this province.<sup>24</sup> Responsibility for the Sindh's agony has been fixed in various places, including the cynical divide-and-rule strategies of Pakistan's own state authorities--not least among them the military authorities.<sup>25</sup> Inevitably, as in Pakistan Interior Minister Naseerullah Babar's recent hint to the parliament in Islamabad of Indian and Afghanistan involvement in the recent spate of terrorist bombings in the country, the government responded by alleging the sinister presence of a "foreign hand" in Pakistan's internal ethnic crises.<sup>26</sup> Whether or not the allegations were true, they demonstrated the close and unavoidable link between Pakistan's security and its ethnicity.

Of great importance in any consideration of Pakistan's vulnerability to foreign interference is the fact that Pakistan's *ethnic* transnationalism is overlapped by--and in some respects dwarfed by--the *religious* (in South Asian parlance, *communal*) transnationalism arising from the broad geographic distribution of Islamic identity in the region. South Asia's three largest countries (India, Pakistan, Bangladesh) together contain over 350 million Muslims--by far the largest concentration of Muslims in the world. Hindu-dominant India, with a Muslim minority of about 110 million (12 percent of the country's population), also happens to be the fourth largest *Muslim* country in the world (after Indonesia, Pakistan, and Bangladesh).<sup>27</sup> The spread of

religious nationalism throughout South Asia in recent decades, among both Muslims and Hindus, obviously poses a considerable threat, not only to the survival of secular statehood in the region, but to the future well-being and security of its minority religious groups as well.<sup>28</sup>

From its start, the India-Pakistan rivalry over Kashmir has been complicated by each side's implied threat to the legitimacy not merely of the other's territorial claims, but of its national identity as well. Possession of Kashmir represented, for each side, vindication of the basic principle of identity--the one (India) secular, the other (Pakistan) religious--upon which each had been formally based. The increasing merger of religious with national identity that has occurred in both countries in more recent decades has considerably magnified and complicated this problem. It has, for one thing, placed India's huge Muslim minority under greater suspicion than ever of its divided loyalties and potential for "fifth column" activity in the event of renewed war with Pakistan, raising a serious doubt whether "any government in Delhi could safeguard Muslims against displacement and worse."<sup>29</sup> For another, it has lent to the struggle over Kashmir the aura of a religious crusade, complete with foreign mercenaries, dogmatic intolerance, and merciless reprisal killings--the savage beheading in August 1995 of a Norwegian tourist by his Kashmiri abductors being but one of countless such episodes. It has also placed the government of Pakistan's own policies in regard to Kashmir under attack from radicalized Islamic groups within Pakistan itself. The government's vulnerability to extremist elements was highlighted by the report of the September 1995 secret arrest in Pakistan of 40 army officers, apparently with links to Islamic fundamentalist groups, accused of plotting a coup against Prime Minister Benazir Bhutto's government.<sup>30</sup>

### **Military Confrontation with India and Afghanistan.**

No other major state in the world has a lengthier stretch of contested international border than Pakistan. The approximately 750-mile long, British-drawn Durand Line, separating Pakistan's NWFP from Afghanistan, has never been formally recognized as an international boundary by any Afghan government. The Line of Control (LOC), running nearly 500 miles in a rough arc from north to south through the disputed territory of Jammu and Kashmir, was negotiated explicitly as a temporary boundary between the Indian- and Pakistani-controlled sectors of that territory in the Simla Accord of 1972.<sup>31</sup> The passage of time has not transformed either of these two lines fully into *de facto* international borders. The failure of the Durand Line to have much impact either on the gun- and-drug smuggling traffic of border tribals or on the fixing of their national loyalties has acquired nearly legendary

proportions over the past century. The kindred failure of the LOC over the past 50 years or so appears well on its way toward earning that line the same notoriety. Nor have these lines, least of all the one in Kashmir (ironically, initially crafted as a "cease-fire line"), served in the slightest to stabilize the relations between Pakistan and these two neighbors. On the contrary, both lines are noted far more as transit areas for the passage of guerrilla forces and their arms, as staging areas for cross-border terrorist attacks, and--on the LOC in Kashmir, at least--for the frequent exchange of small arms, mortar and artillery fire between the regular armed forces on either side than for any pacifying effects they might have had in Pakistan's frontier areas.

Pakistan claims that in Kashmir its involvement on the Indian side of the LOC is limited to diplomatic and moral support for the cause of Kashmiri self-determination--a cause for which, Pakistan asserts, there is more than ample justification in international law. As for Afghanistan, Pakistan contends that it has no favorites among the warring Afghan factions currently vying for power, that it is not at all materially involved in Afghanistan's internal strife, and that it wishes only that the government of Afghan President Burhanuddin Rabbani, which it claims has outlived its legitimacy, should step down. Both of these countries reject Pakistani claims to innocence, insisting that in both cases Pakistan's covert interference is, in fact, at the root of their troubles. While the claim that Pakistan bears sole (or at least most of the) responsibility for these countries' present troubles has, in fact, yet to be convincingly demonstrated, they are justified in rejecting Pakistan's claims to innocence. It can be argued that Pakistan's involvement on the Indian side of the LOC in the 1990s,

was far from insignificant; that Pakistan supplied substantial political, diplomatic, *and material* support to the Kashmiri uprising; that the material support took various forms, including the training, indoctrination, arming, and cross-border movement of the infiltrating forces; that the exfiltration of Kashmiri Muslims across the LOC into Pakistan or Pakistan-controlled Kashmir and their covert reinfiltration, following training in light arms and guerrilla tactics, played a very important role in maintaining the tempo of the insurgency; that the support was planned and coordinated in large part by Pakistan's ISI [Inter-Services Intelligence Directorate]; and that all this was carried out with the full knowledge and under the auspices of the Pakistan army.<sup>32</sup>

Determining the actual scale and intensity of Pakistan's

current cross-border activities in Kashmir is, of course, another matter. The report in a November 1995 issue of India's premier news magazine that "1995 has seen the highest number of trained militants coming into the [Kashmir] Valley from across the border, and even conservative estimates put the figure at 1,000 a month," probably inflates the rate of influx.<sup>33</sup> Unfortunately, verification of such reports is flatly impossible.

The intent here, in any event, is not to fix blame for the tragic circumstances in which Kashmir presently finds itself (an exercise that would probably lead to an indictment not just of Pakistan but of all parties to the conflict). Neither is it to imply that Pakistani actions on the Indian side of the LOC do not have their counterparts in Indian actions on the Pakistani side of the line. That, in the face of mountainous evidence to the contrary, would be patently ridiculous.<sup>34</sup> Rather, the intent is simply to point out that the pattern of conflict sustained today by Pakistan and India in Kashmir, whatever the justification for it or lack thereof, is extremely provocative and, insofar as Pakistan is concerned, presents an enormous challenge to the country's security. For example, in November 1995, Pakistani artillery fire flattened an Indian bunker located on the LOC at a point from where Indian forces could, and allegedly frequently did, direct heavy machine-gun fire at passing military and civilian vehicles using the Neelam Valley road on the Pakistani side of the line.<sup>35</sup> That action apparently ended the Indian forces' year-long blockade of the strategic road. Whether or not these facts were reported fully or accurately, the evidence is now overwhelming that armed conflict--and not just minor skirmishing--has become a routine feature of India-Pakistan relations in the contested area of Kashmir. While these two countries have displayed considerable prudence over the years, on only a few occasions permitting their deep hostility to get out of control and to develop into full-scale fighting, it is impossible to assume, in the face of present developments, that their hostility can be permanently contained.<sup>36</sup>

Pakistan's involvement in Afghanistan's internal affairs has been continuous from about 1974, when, under Prime Minister Zulfikar Ali Bhutto, it began supplying surreptitious military support, including sanctuary within Pakistan, training, and arms to groups of Afghan dissidents fighting the regime of Mohammad Daoud Khan. This aid continued when the Nur Mohammad Taraki regime replaced the Daoud Khan regime at the time of the Marxist takeover in 1978, and it was given major impetus when that regime fell to a Soviet-backed puppet government at the end of 1979. Quite unlike its involvement in Kashmir, however, Pakistan's prolonged activity in Afghanistan had considerable international sanction and ultimately won it the gratitude of much of the world. During the Afghanistan War, of course, it acted as the main conduit for Western aid to the anti-Soviet Afghan

resistance. By the late 1980s, the level of this aid had reached staggering dimensions: combined U.S. and Saudi assistance alone at that time had climbed to about \$1 billion per year.<sup>37</sup>

The level and exact nature of Pakistan's unabated involvement in Afghanistan's civil strife since the Soviet pullout can only be guessed. Many observers claim that Islamabad continued to funnel military support to its favorites among the *mujahideen*, especially to its longtime ally, *Hizb-i-Islami* chieftan Gulbuddin Hekmatyar. In 1993, it seems, with the change of government in Pakistan that brought Benazir Bhutto to power, Pakistan's support to Hekmatyar, perhaps with the encouragement of Washington, dried up. The sudden appearance on the Afghan scene in October 1994 of the so-called *Taleban* ("student") militia has prompted numerous reports that Pakistan is behind that group's striking military success--including a victory, at least momentary, over the forces of Hekmatyar.<sup>38</sup>

The current geopolitical situation in Afghanistan is, by any standard, extremely confusing. Russia, the newly independent states of Central Asia (especially Uzbekistan), Iran, and India, along with Pakistan, all have a very large stake in the outcome of the present free-for-all struggle for power and influence that was unleashed with the collapse of the USSR.<sup>39</sup> Pakistan, at least as much as any of the other external contenders, considers Afghanistan's pacification and the political orientation of its leaders--factors bearing heavily not only upon Pakistan's own future political stability and international political status, but upon its acute concern for the opening of trade routes to Muslim Central Asia--matters of the most vital state interest.<sup>40</sup> Ralph Magnus and Eden Naby observe that "increasingly, the keys to the resolution of the [Afghanistan] situation lie in Tashkent and Islamabad."<sup>41</sup> While that may very well be true, no one at the moment can be sure that the ultimate resolution of this situation will come very soon, that it will favor Pakistan's interests, or that it will bring a century or more of conflict over the Afghanistan-Pakistan border finally to a peaceful end.

### **Pakistan's Post-Cold War Options.**

Pakistan has three post-Cold War options--potential alternatives, in other words, to the Cold War policy choices that led it to seek alliance with the United States and a major role in Washington's anti-Communist containment strategy. They are the Pan-Islamic Option, the Domestic Liberalization Option and the Regional Cooperation Option.

*Pan-Islamic Option.* Pakistan has long thought that it could, to some extent, compensate for both its vulnerable political geography and its military-demographic-economic weakness relative

to India by expanding and deepening its ties to the many co-religionist states of the Islamic world. Zulfikar Ali Bhutto's hosting of an Islamic summit in Lahore in 1974, in the aftermath of Pakistan's loss of East Bengal in the 1971 war, and his daughter's proposal to convene an extraordinary summit of the Organization of the Islamic Conference (OIC) in Islamabad in March 1997 to help celebrate the 50th anniversary of Pakistan's birth testify equally to the persistence and strength of this idea.<sup>42</sup> Pakistan's stature as the Islamic world's sole nuclear weapon power and as the main political voice of the South Asian region's huge Muslim population reinforced this idea. The thesis, voiced a few years ago in *Foreign Affairs* by Harvard professor Samuel Huntington, that a fundamental realignment of strategic forces was underway in the post-Cold War world, that this realignment would turn the international relations of the 21st century in its most basic respects into a "clash of civilizations" (most conspicuously setting the West versus the Rest), and that Islamic Civilization would be involved in the bloodiest clashes of all, gave this idea at least symbolic support.<sup>43</sup> Huntington argued that on-going "kin-country rallying"--the mobilizing of interstate support systems or alliances on religious or civilization grounds--empirically demonstrated this thesis.

Huntington's concept was bold and provocative. However, in part because it seemed to depend upon a more thorough and rapid decline of the nation-state structure and the ideology of nationalism than most political theorists were willing to concede, it has received surprisingly little support from fellow academics. Most of them, including Fouad Ajami, Olivier Roy, Graham Fuller and Ian Lesser, have argued that Islam's "bloody borders," as Huntington had expressed it, were much more likely to be found on the borders of neighboring *Muslim* states, or between these states and the nascently nationalistic ethnic communities or sects *within* them, than on those borders separating Muslim from non-Muslim states. Moreover, they argued that Huntington had read far more significance into the "kin-country rallying" occurring among the world's Muslims than its actual magnitude warranted.<sup>44</sup>

Unquestionably Pakistan is now involved in a variety of pan-Islamic projects, such as the previously-mentioned OIC. Pakistan is an important and the most populous member of the all-Muslim Economic Cooperation Organization (ECO), a regional group formed in early 1992 which also includes all of the five Muslim Central Asian states (Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan, and Turkmenistan) plus Afghanistan, Iran, Turkey, and Azerbaijan, that is the largest economic bloc in the world. Then, too, there is plenty of evidence that the rallying of Muslims to pan-Islamic causes is a matter of some significance in Pakistan's South Asian policy. Citing intelligence sources, the Indian news magazine

*India Today* reported in September 1995, for instance, that at least 1,600 foreign Islamic militants had crossed the border into Kashmir during that summer to fight on the side of the Kashmiri Muslim insurgents. While this figure may not represent the actual foreign hijacking of the insurgency, it certainly indicates a major external influence upon it.<sup>45</sup>

Nevertheless, Pakistan's past (e.g., the secession of Muslim East Bengal) and its present (e.g., Afghanistan) provide sufficient examples to suggest that the trans-state Islamic bond has very definite limits. In Afghanistan's case alone, Pakistan finds itself presently at odds not only with numerous groups of Muslim Afghans (the regime of President Rabbani, and the Hekmatyar forces), but with those Muslim states with which it is allied in the ECO (Shia-dominant Iran or secular Uzbekistan) with which, for a variety of reasons, it does not see eye-to-eye in regard to Afghanistan's political future.<sup>46</sup> Additional examples include the seeming preference of Muslim Kashmiris for independence from both India and Pakistan rather than for union with Pakistan; Pakistan's continuing refusal to take back the roughly 240,000 stranded (Urdu-speaking) Muslim Pakistanis, called "Biharis," who have been living in 60-odd squalid camps in Dhaka and elsewhere in the fellow Muslim state of Bangladesh (in what used to be East Pakistan) since 1971; and Pakistan's parallel plan, reportedly announced by its Interior Minister in November 1995, for the compulsory deportation or "push-back" to Bangladesh of up to 1.6 million "illegal" Bangladeshi migrants claimed currently to be in Pakistan--a gesture that oddly mimics the anti-Bengali Muslim stance of the fiercely Hindu nationalist leader of India's Shiv Sena party, Bal Thackeray.<sup>47</sup> It might even be argued that India's 110 million-strong Muslim minority is far more a *hostage* today to Pakistan's foreign policy than a willing *ally* of it. Tragic it may be, but the Islamic world that surrounds Pakistan is a world of bloody feuds and clashing factions, rather than one that is ready to launch "the clash of civilizations," much less to take on the West.

In sum, Pakistan, under present circumstances in the Islamic world, is very likely to come up short of reliable Islamic allies. The Pan-Islamic Option, for all its bluster and for all its promise, is for most practical purposes (and certainly for Pakistan's basic security requirements) a fiction.

*Domestic Liberalization Option.* A theme common to most studies of Pakistan's post-independence political development, especially the more recent ones, is that the very early subordination of Islamabad's fledgling political institutions to the supreme control and insatiable "corporate needs" of the Pakistan Army both crippled them while it perverted the Army's mission to provide for Pakistan's security against real or potential external threats. The best of these studies allow that

the "military variable" is only one of several that sets Pakistan on its early praetorian course, and that the real threat to Pakistan's security that arose from Partition (and in particular from India's resentment of Partition's territorial and other consequences), at least in part precipitated the military's almost immediate post-independence intervention in civil government. Pakistan's insecurity today is far more the product of its past *internal* political failures than of any threatening force in its *external* security environment.<sup>48</sup> A natural by-product of this line of reasoning, obviously, is that determined and far-reaching reform of Pakistan's *domestic* politics--the so-called Domestic Liberalization Option, but which is just as well described as the Demilitarizing, Democratizing or even "Decentering" Option (if one is contemplating reform via the devolution of power from the center to provincial or lower levels of governance)--can have a remarkably positive impact on its *international* relations. This simply echoes the claim, of course, of those Kantian-inclined international relations theorists who believe that the surest way to international peace is via the spread domestically of liberal political institutions.<sup>49</sup>

It is questionable, of course, whether Pakistan's internal governance enjoys the positive causal connection with external relations that the theorists are claiming, and, given the inevitable inertial propensities in Pakistan's present internal political structure, ethno-cultural configuration, and demographic and socio-economic circumstances, whether the redistributive policies implicit in the Domestic Liberalization Option would produce within a decent time period the predicted enhancement in human well-being or simply sharpen the regional, ethnic, sectarian, and class polarizations that are already tearing at Pakistan's solidarity.

Nevertheless, in principle at least, it would be hard to deny that Pakistan could profit from a redefinition of its security requirements that endorsed a shift in public expenditure from the military to social and economic welfare agencies. After all, measured against most of the standard indices of human well-being, Pakistan does not fare very well, often not even in comparisons with other low-income countries (including the other states of South Asia). According to a World Bank assessment of Pakistan completed in September 1995, Pakistan's "total fertility rate"<sup>50</sup> stands at 65 percent and its infant mortality rate at 30 percent above the average for all low-income countries.<sup>51</sup> Pakistan also ranks in the cellar (see Table 7, p. 96) in the category of primary and secondary schooling. Especially marked is its poor standing in the category of female school enrollment: only 5 of the 132 countries displayed a lower percentage than Pakistan of females in primary school in 1992, and only 18 of them showed a lower percentage than Pakistan of females in secondary school.<sup>52</sup> In other standard categories of human development, such as

literacy, life expectancy, and *per capita* share of Gross National Produce (GNP) (see Table 8, p. 97), Pakistan's ranking is similarly unenviable.

It would be even harder to deny that Pakistan has few assets other than the military budget from which to secure the resources needed to manage any such shift in public expenditure. Realistic alternatives to the military budget simply do not exist. Pakistan's Minister of Finance reportedly admitted in May 1991, for instance, that in fiscal year 1991-92, debt servicing (53 percent) and defense expenditures (47 percent) would, between them, consume virtually 100 percent of central revenue receipts, and that ". . . expenditures on development programs, public administration, and social sectors such as health and education would have to be met from external sources."<sup>53</sup> There are no unusually generous foreign donors on the horizon.

The presumed elasticity (and ready contractibility) of defense budgets is, of course, the focus of great controversy, and not only in Pakistan. In the United States, an end-of-Cold War "peace dividend" worth boasting about has yet to appear, in spite of the fact that no truly credible adversary remains. But, Pakistan retains a principal adversary, India, on its very doorstep.

*Regional Cooperation Option.* The South Asian Association for Regional Cooperation (SAARC), which formally associates all seven of the South Asian states (India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, and the Maldives) in a large number of common projects aimed primarily at stimulating regional economic cooperation, has recorded a number of significant achievements since its founding in 1985. One of the most recent--and possibly the most momentous--of these achievements was the signing by all seven countries in November 1995 of the South Asian Preferential Trading Arrangement (SAPTA), a plan for immediate mutual cutting of tariff barriers and eventual creation of a free trade zone.<sup>54</sup> Symptomatic, however, of the distance which regional cooperation has yet to go in South Asia before it achieves real respectability was Prime Minister Benazir Bhutto's almost immediate decision (allegedly reacting to criticism that SAPTA threatened to compromise Pakistan's stand on Kashmir) to refuse Most Favored Nation (MFN) trading status to India--a status routinely granted to virtually all of a nation's regular trading partners.<sup>55</sup> That decision paralleled countless others, affecting virtually every dimension of India-Pakistan relations, including even sports activities, that account for the gloom in most discussions of the South Asian region's prospects for heightened cooperation.<sup>56</sup> In brief, the SAPTA accord and other occasional moves in the direction of cooperation are not reliable harbingers of a rising tide of regionalism in South Asia. India-Pakistan relations, in the face of persuasive arguments that the security

of both states would be substantially enhanced were they to cooperate in such areas as energy and the environment,<sup>57</sup> remain predominantly and stubbornly hostile. Significant improvement in their bilateral relations, even in their willingness or ability to conduct serious and sustained talks on the matters that divide them, faces stiff barriers. Both continue to view one another as major threats rather than potential regional partners, and, thus, both continue to engage relentlessly in acts of sabotage, espionage, diplomatic one-upmanship, and sabre-rattling of the sort once associated with the Cold War.

On top of an already existing array of counter-regionalist properties, ranging from incommensurably huge differences in the prospective partners' relative sizes to religio-cultural differences having their roots deep in the subcontinent's history,<sup>58</sup> there are now political trends afoot in the region--a drift, it seems, in the direction of cultural militancy and nationalist extremism that threatens to wash away the political center--that seem likely to add substantially to them. On the Pakistan side, of course, exists its government's proclivity for trumpeting its Islamic identity and its inevitable role in the region as "guardian of the faith." While this identity has not paid off electorally at all well for the country's rightwing Islamist political parties, such as the strongly organized *Jama'at-i-Islami*, their mass mobilizing talents and ability to apply pressure effectively at strategic points of the governmental apparatus make them a political factor to be reckoned with. As for the Indian side, the noticeably rightward drift in its politics--and of some of its worrisome consequences--have already been noted. Recent statements reportedly made by leaders of the Hindu nationalist *Bharatiya Janata Party* (BJP) calling, for instance, for the "liberation" of (Pakistan-held) Azad Kashmir and for the building of nuclear weapons, should not be written off as mere pre-election campaign rhetoric.<sup>59</sup> A BJP-led government would not produce many substantive changes in India's foreign policies, including its policies towards Pakistan; neither would it usher in a new era in regional cooperation. There are far too many anti-Muslim and anti-Pakistan items on the Hindu rightwing's current political agenda to offer much hope for that.

In spite of the relatively heavy odds against its immediate achievement, Pakistani leaders are well advised to place this Regional Cooperation Option ahead of the others and, in fact, to pursue it much more energetically than has been characteristic in the past. The Regional Cooperation Option, for all of its shortcomings, and unlike the other two options, addresses the problem of Pakistan's external security head-on. It focuses the issue directly on the regional military threat. In Pakistan's present circumstances, that threat, in both its conventional and nuclear forms, is simply too great to dismiss. The Regional

Cooperation Option does not dismiss it; on the contrary, it encourages the search for ways to reduce it. It *may* eventually enhance regional cooperation, but it will have accomplished its mission if it does no more than to lessen the menace of war.

Numerous proposals for implementing this option have been advanced. One proposal consists of so-called "conflict-avoidance" and "confidence-building" measures (CAMs/CBMs), the breadth of whose definitions is limited only by the human imagination. Many such measures have been identified for application in South Asia; the Henry L. Stimson Center in Washington, DC, has been a particularly fertile source of these.<sup>60</sup> As Michael Krepon, President of the Stimson Center, recently acknowledged, CAMs/CBMs have unfortunately not succeeded in taking root in South Asia. In fact, he argued,

the prospects for small steps to minimize tensions, let alone to promote political reconciliation, are modest at best over the near-term. Indeed, the greater likelihood in the near-term is that Indo-Pakistani relations will continue to worsen, . . . .<sup>61</sup>

At the present time CAMs/CBMs cannot on their own inspire anything recognizably like "confidence" between India and Pakistan. That "confidence" can only follow their successful negotiation of a mutual stand-down from the very abrasive military brinkmanship now being practiced in Kashmir, which only the most determined and persistent diplomacy, convinced of the utter futility of present behavior, could possibly achieve. Diplomacy of that kind, unfortunately, is presently nowhere in sight in South Asia.

### **Conclusion.**

Pakistan faces demonstrably major challenges to its security. For some of these challenges, Pakistan's own political failings are unquestionably to blame. For others, however, blame must be allocated more widely within the region and at the level of global politics. Fashionable "post-modernist" arguments maintaining that the Indian threat is largely contrived, that it has been "socially constructed" by Pakistan's corrupt and self-serving ruling elite, and that the task of liberating Pakistan from the bondage of insecurity can be accomplished mainly by reform from within--by overturning the "meta-narrative" of permanent India-Pakistan enmity, while at the same time liberating the captive "subaltern" masses--are mere caricatures of the actual circumstances in which Pakistan presently finds itself. These circumstances, in fact, do not leave Pakistan much room for maneuver; its options for overcoming or at least coping with the challenges are severely limited. Turning Pakistan's back

on South Asia (at least the Hindu core of it), a major implication of the Pan-Islamic Option, is too dangerous, too self-defeating, and simply too unlikely of success to make it an attractive prospect for Pakistan's security managers. The Domestic Liberalization Option, in spite of its immense ideological appeal and seeming potential to improve materially the lot of Pakistanis, tackles the tenacious problem of Pakistan's external security mainly by trying to forget it.

Pressing in upon Pakistani decisionmakers is the unsettling possibility that time may be running out for Pakistan, that its backwardness relative to other countries will severely damage its prospects in the 21st century, and that, however unpalatable the choices before it may be, running the risk of applying them cannot be put off indefinitely. The Regional Cooperation Option is the only viable option for Pakistanis to pursue. There is no insurance, however, that they will be willing to implement it.

There are a number of initial steps that India and Pakistan might take in regard to the pivotal issue of Kashmir.<sup>62</sup> Kashmir is not the only, or even the most important, obstacle to normalized India-Pakistan relations, but without some sign of progress in regard to Kashmir--which now symbolizes their enmity more than anything else--progress anywhere else in their relationship will be stifled. Unfortunately, however, the problem in South Asia is not really one of imagining steps that India and Pakistan might take towards peace. There is no doubt at all that Pakistanis and Indians, properly motivated, could develop such steps on their own.

The more likely is that the governments of these two countries are not yet sufficiently convinced that the situation is urgent enough to warrant the prolonged and heavy expenditure of political capital that would certainly be required to bring both sides *seriously* to the negotiating table. Indians, for their part, face vast problems of political unrest, religious nationalism, and economic backwardness. They feel compelled, moreover, to maintain a powerful armed force against a still more powerful neighbor, China. At the same time, Indians display little interest in making concessions to Pakistan, which they believe, not unnaturally, labors to undermine India's international prestige while contributing significantly to its political unrest. Pakistanis, in turn, are understandably disturbed by the scale of economic, cultural, and military power growing beyond their eastern border, by the standing threat to their country's fragile Islamic identity represented by Indian secularism, and, not least, by India's mounting attractiveness to the world's great powers. Their leaders see little to be gained from negotiations; they are terribly vulnerable, should they enter into them, to charges of betraying their nation's interests.

Redefining Pakistan's security in terms that the West might find more acceptable will certainly be difficult, and it may, for the time being at least, prove impossible. Until this changes, the rest of the world can help India and Pakistan with constant encouraging dialogue and, most importantly, with concrete and evenhanded political, military, and economic gestures towards the region that discourage fighting. But, in the end, making South Asia more secure is mainly a task that South Asians must perform. If this is so, perhaps it is our own patience and perseverance, oddly enough, that are most in need of cultivation.

Source: Tables 1-6 are compiled from multi-source data provided in Remy Herrera's *Statistics on Military Methodological Problems, and Sources*, Paris: Organization for Economic Cooperation and Development, 1994.

Rank (among DCs)	Country	Military Expenditures	World Rank
1	China	22,330	6
2	Saudi Arabia	4,798	8
<b>3</b>	<b>India</b>	<b>9,588</b>	<b>10</b>
4	Iraq	9,268	11
5	ROK*	8,168	12
6	Taiwan	6,562	15
7	Iran	5,306	17
8	Brazil	4,900	18
9	Republic of South Africa	3,804	22
10	Israel	3,801	23
11	Egypt	3,672	26
<b>12</b>	<b>Pakistan</b>	<b>2,906</b>	<b>31</b>

\* Republic of Korea (South Korea)

Table 1. 1990 Military Expenditure,  
Selected Developing Countries (DCs)  
(in million 1988 dollars)

Rank (among DCs)	Country	Number of Troops (millions)	World Rank	Population (millions)
1	China	3,783	1	1,170.7
<b>2</b>	<b>India</b>	<b>1,362</b>	<b>4</b>	<b>862.7</b>
3	DPRK*	1,040	5	22.2
4	Vietnam	1,000	6	68.1
5	ROK	750	8	43.8
6	Iran	573	9	59.9
<b>7</b>	<b>Pakistan</b>	<b>5,20</b>	<b>12</b>	<b>121.5</b>
8	Egypt	494	14	53.6
9	Taiwan	425	15	20.3
10	Syria	412	16	12.8

\* Democratic People's Republic of Korea (North Korea)

Table 2. Number of Troops, Selected Developing Countries, 1991

Rank	Country	1992	1988-92
<b>1</b>	<b>India</b>	<b>3,709</b>	<b>12,235</b>
2	Saudi Arabia	883	8,690
3	Afghanistan	0	7,515
4	Iraq	0	4,967
5	Iran	877	3,632
6	ROK	414	3,524
<b>7</b>	<b>Pakistan</b>	<b>432</b>	<b>3,486</b>
8	Egypt	621	3,295
9	Thailand	869	3,270
10	DPRK	24	3,123

Table 3. Major Arms Importers, Developing Countries, 1988-92  
(in million 1990 dollars)

Rank	Country	Percent of Production	Cumulative Percent
<b>1</b>	<b>India</b>	<b>31</b>	<b>31</b>
2	Israel	23	54
3	Republic of South Africa	9	63
4	Brazil	9	72
5	Taiwan	8	80
6	All other DCs	20	100

Table 4. Major Arms Producers, Developing Countries, 1950-85

Rank	Country	Number of Defense Workers
1	China	5,000,000
<b>2</b>	<b>India</b>	<b>280,000</b>
3	Egypt	100,000
4	Israel	90,000
5	Brazil	75,000
6	DPRK	55,000
7	Taiwan	50,000
8	ROK	45,000
<b>9</b>	<b>Pakistan</b>	<b>40,000</b>
10	Indonesia	26,000

Table 5. Major Defense Industry Employers, Developing Countries, c. 1990

World Rank <sup>a</sup>	Enterprise	Country	Sales <sup>b</sup>	Jobs <sup>c</sup>
34	Israel Aircraft Ind.	Israel	1,410	17,000
45	Ordnance Factories	India	1,120	173,000
64	Arm Scor	Republic of South Africa	710	20,000
81	Israel Military Ind.	Israel	490	8,500
83	Rafael	Israel	450	5,100
99	Hindustan Aeronautics	India	370	35,000

<sup>a</sup> Enterprises ranked by turnover in military sector.

<sup>b</sup> Arms sales expressed in millions of dollars.

<sup>c</sup> Total number of people employed in the enterprise.

Table 6. Biggest Defense Enterprises, Developing Countries, 1991

Country	Primary		Secondary	
	Total	Female	Total	Female
<b>Pakistan</b>	<b>46</b>	<b>31</b>	<b>21</b>	<b>13</b>
India	102	90	44	32
Bangladesh	77	71	19	12
Sri Lanka	107	105	74	77
Kenya	95	93	29	25
Iran	109	104	57	49
Egypt	101	93	80	73
Turkey	112	107	60	50
ROK	105	106	90	91
Canada	107	106	104	104

Source: World Bank, *Human Development Report 1995*, New York: Oxford University Press, 1995, Table 28, pp. 216-17.

Table 7. Primary and Secondary Education, Percent Enrollment in 1992 (Showing Female Share)\*

\*Gross enrollment ratios may exceed 100 percent since the definition of primary or secondary school age varies from country to country.

Region/ Country	Life Exp. 1993 (Yrs)	Illiteracy, Adult 1990(%)	GNP/Per Cap. 1993 (US\$)	World Rank*
SOUTH ASIA	60	54	310	-
<b>Pakistan</b>	<b>62</b>	<b>65</b>	<b>430</b>	<b>31*</b>
India	61	52	300	20
Bangladesh	56	65	220	12
Nepal	54	74	190	8
Sri Lanka	72	12	600	39
LOW-INCOME	62	41	380	-
Vietnam	66	12	170	5
Kenya	58	31	270	15
Uganda	45	52	180	7
MIDDLE-INCOME	68	17	2,480	-
Colombia	70	13	1,400	67
Philippines	67	10	850	53
Algeria	67	43	1,780	73
Turkey	67	19	2,970	85
HIGH-INCOME	77	-	23,090	-
United States	76	>5	24,740	128
WORLD	66	33	4,420	-

\*GNP/Per capita: The lower the number, the lower the rank.

Table 8. Human Development, Basic Indicators

Source: Source: World Bank, *Human Development Report 1995*, New York: Oxford University Press, 1995, Table 1, pp. 162-63.

## ENDNOTES

1. Sandy Gordon, "South Asia After the Cold War: Winners and Losers," *Asian Survey*, Vol. 35, No. 10, October 1995, p. 894. For an extended discussion of the themes in this article, see Gordon's recent study, *India's Rise to Power in the Twentieth Century and Beyond*, New York: St. Martin's Press, 1995. Gordon is a Fellow at the Research School of Pacific and Asian Studies, Australian National University.

2. *Ibid.* p. 895.

3. Gordon's own thoughtful observations in this regard are themselves extremely revealing. See *India's Rise to Power*, pp. 155-244.

4. On this, see Robert G. Wirsing, *India, Pakistan, and the Kashmir Dispute*, New York: St. Martin's Press, 1994, pp. 238-241. The United Kingdom and Australia have apparently decided to follow the U.S. lead in regard to the obsolescence of the plebiscite provisions of the UN resolutions.

5. For details and illuminating Senate debate over the Brown Amendment and the F-16 arrangement negotiated with Pakistan by the Clinton administration, see U. S. Congress, *Congressional Record and Debates of the 104th Congress*, 1st Session, Vol. 141, Nos. 107 (June 28, 1995), 109 (June 30, 1995), 129 (August 4, 1995), 147 (September 20, 1995), 148 (September 21, 1995), 153 (September 28, 1995), and 154 (September 29, 1995), Washington, DC: U.S. Government Printing Office, 1995.

6. Senior Indian defense analyst P. R. Chari of the Center for Policy Research in New Delhi was reported to have said, in the face of official Indian claims to the contrary, that "the military balance will change [as a result of the U.S. decision], but not in any manner that tilts it against India." Ranjan Roy, "India-Arms Race," *Associated Press*, September 22, 1995.

7. U.S. Congress, House, Committee on International Relations, Subcommittee on Asia and the Pacific, Testimony of Bruce O. Riedel, Deputy Assistant Secretary of Defense for Near Eastern and South Asian Affairs, December 6, 1995, Washington, DC, p. 7 (typescript).

8. Recent press reports that the French government was reconsidering its proposed sale of 40 late-model *Mirage 2000* jet fighters to Pakistan were merely the latest manifestation of this (from Pakistan's point of view) distasteful trend. "France says no contract with Pakistan, Taiwan," *Reuters*, January 22, 1996.

9. R. Jeffrey Smith and David B. Ottaway, "Spy Photos

Suggest China Missile Trade; Pressure for Sanctions Builds Over Evidence That Pakistan Has M-11s," *The Washington Post*, July 3, 1995.

10. Among other major projects, China and Pakistan are collaborating on joint development of a lightweight combat fighter, the FC-1, apparently intended for export to the air forces of developing countries. "Jane's-Fighter," *Associated Press*, June 14, 1995; and "China plans combat fighter for export," *Reuters*, December 31, 1995.

11. Gordon, "South Asia After the Cold War," p. 881.

12. Remy Herrera, *Statistics on Military Expenditure in Developing Countries: Concepts, Methodological Problems and Sources*, Appendices 2, 6, 7.1, 8.1, 8.2, and 8.3, Paris: Organization for Economic Cooperation and Development, 1994, pp. 60-66. Most of Herrera's tables are abbreviated for space considerations.

13. Amit Gupta, "Determining India's Force Structure and Military Doctrine: I Want MiG," *Asian Survey*, Vol. 35, No. 5, May 1995, pp. 441-458. For an earlier and more extended discussion strongly supportive of at least the main elements of Gupta's argument, see Chris Smith, *India's Ad Hoc Arsenal: Direction or Drift in Defence Policy?*, Oxford, UK: Oxford University Press, 1994.

14. On this topic, see (on Pakistan) Robert E. Looney, "Budgetary Dilemmas in Pakistan: Costs and Benefits of Sustained Defense Expenditures," *Asian Survey*, Vol. 34, No. 5, May 1994, pp. 417-429; and (on India) Gordon, *India's Rise to Power*, pp. 117-142.

15. Marcus W. Brauchli, "Pakistan Totters Near Financial Crisis," *The Wall Street Journal*, December 18, 1995, p. A10.

16. India's recent announcement that serial production of its medium-range *Prithvi* missile was underway and that it would soon deploy this missile, which is believed capable of delivering nuclear warheads up to 150 miles, was one indicator of the present state of affairs. Jawed Naqvi, "India to deploy Prithvi missile, plans new test," *Reuters*, January 16, 1996.

17. Reported by Michael Perry, "Asian economic boom to fuel region's mil," *Reuters*, April 20, 1995.

18. Gordon, *India's Rise to Power*, pp. 348-349.

19. For background, see Robert G. Wirsing, *The Baluchis and Pathans*, Report No. 48, London: The Minority Rights Group, July

1987.

20. Two superb recent studies of Afghanistan's contemporary political crises are Diego Cordovez and Selig S. Harrison, *Out of Afghanistan: The Inside Story of the Soviet Withdrawal*, New York: Oxford University Press, 1995; and Barnett R. Rubin, *The Fragmentation of Afghanistan: State Formation and Collapse in the International System*, New Haven, CT: Yale University Press, 1995.

21. Anwar-ul-Haq Ahady, "The Decline of the Pashtuns in Afghanistan," *Asian Survey*, Vol. 35, No. 7, July 1995, pp. 621-634.

22. Tahir Amin, "Pakistan in 1994: The Politics of Confrontation," *Asian Survey*, Vol. 35, No. 2, February 1995, p. 143.

23. "MQM protest strike paralyzes violence-torn Karachi," *Reuters*, January 4, 1996; and "Four people killed in Karachi gunfight," *Reuters*, January 2, 1996. The number killed in 1995 more than doubled the figure--about 800--for the preceding year.

24. For an overview, see Charles H. Kennedy, "The Politics of Ethnicity in Sindh," *Asian Survey*, Vol. 31, No. 10, October 1991, pp. 938-955.

25. See Samina Ahmed, "The Military and Ethnic Politics in Sindh," in Charles H. Kennedy and Rasul B. Rais, eds., *Pakistan 1995*, Boulder, CO: Westview Press, 1995.

26. "Pakistan sees hand of Indians, Afghans in attacks," *Reuters*, December 27, 1995.

27. For a recent overview of India's Muslim minority, see Omar Khalidi, *Indian Muslims Since Independence*, New Delhi, India: Vikas Press, 1995.

28. For a recent comment on the electoral progress of Hindu nationalism in India, see Robert G. Wirsing and Debolina Mukherjee, "The Saffron Surge in Indian Politics: Hindu Nationalism and the Future of Secularism," *Asian Affairs*, Vol. 22, No. 3, Fall 1995, pp. 181-206.

29. Quote taken from an unpublished letter sent to the author by a former Indian diplomat.

30. John F. Burns, "Pakistan Holds 40 Officers Called Militants," *The New York Times*, October 17, 1995, p. A5; and Raja Asghar, "Pakistan begins closed trial of coup plotters," *Reuters*, December 31, 1995.

31. The LOC replaced the Cease-Fire Line established by the Karachi Agreement of 1949.

32. Wirsing, *India, Pakistan, and the Kashmir Dispute*, p. 119.

33. Harinder Baweja, "Resounding Rebuff," *India Today*, November 30, 1995, p. 32.

34. For a sampling of the evidence, see Wirsing, *India, Pakistan, and the Kashmir Dispute*, pp. 150-152.

35. "Pakistan says it ends long Kashmir blockade," *Reuters*, November 28, 1995.

36. For an even bleaker forecast, see U.S. Congress, House, Committee on International Relations, Subcommittee on Asia and the Pacific, Testimony of Michael Krepon, Persident, Henry L. Stimson Center, December 6, 1995, Washington, DC (typescript).

37. Rubin, p. 179.

38. Ahady, "The Decline of the Pashtuns in Afghanistan," pp. 628-629.

39. Adding a particularly ironic twist to developments in Afghanistan, Russian military advisers have apparently returned there recently for the first time since 1989 to assist the tottering regime of President Burhannudin Rabbani with bridge, road, and airport construction. "Russians boost support for Rabbani," *United Press International*, January 23, 1996.

40. Ignoring the protests of the government of President Burhanuddin Rabbani in Kabul, Pakistan announced in January 1996 its plans to go ahead with road repair, the opening of a railway line, and the setting up of branches of the state-run National Bank of Pakistan in those regions of Afghanistan not now controlled by Kabul. Raja Asghar, "Pakistan plans links with rebel-held Afghanistan," *Reuters*, January 23, 1996.

41. Ralph H. Magnus and Eden Naby, "Afghanistan and Central Asia: Mirrors and Models," *Asian Survey*, Vol. 35, No. 7, July 1995, p. 617. For additional commentary on the regional geopolitics of the strife in Afghanistan, see Zalmay Khalilzad, "Afghanistan in 1994: Civil War and Disintegration," *Asian Survey*, Vol. 35, No. 2, February 1995, pp. 147-152; Anwar-ul-Haq Ahady, "The Changing Interests of Regional Powers and the Resolution of the Afghan Conflict," *Asian Affairs*, Vol. 21, No. 2, Summer 1994, pp. 80-93; and Rasul Bakhsh Rais, "Afghanistan and the Regional Powers," *Asian Survey*, Vol. 33, No. 9, September 1993, pp. 905-922.

42. Ali Bouzerda, "Pakistan plans Islamic summit in 1997-minister," *Reuters*, January 5, 1996.

43. Samuel Huntington, "The Clash of Civilizations?," *Foreign Affairs*, Vol. 72, No. 3, Summer 1993, pp. 22-49.

44. See, for example, Graham Fuller and Ian Lesser, *A Sense of Siege: The Geopolitics of Islam and the West*, Boulder, CO: Westview Press, 1995; Olivier Roy, *The Failure of Political Islam*, Cambridge, MA: Harvard University Press, 1994; and Fouad Ajami, "The Summoning," *Foreign Affairs*, Vol. 72, No. 4, September/October 1993, pp. 2-9.

45. Harinder Baweja, "The Hostage Crisis," *India Today*, September 15, 1995, p. 20.

46. Iran differs with Pakistan, apparently, over the virtue of supporting the upstart (almost entirely Pashtun and Sunni) Taleban militia. Raja Asghar, "Afghan rebel militia rejects Iranian mediation," *Reuters*, January 4, 1996.

47. Anis Ahmed, "Protesters decry forcible 'push back' by Pakistan," *Reuters*, November 23, 1995.

48. Among the best studies of Pakistan's militarist foundations is Ayesha Jalal, *The State of Martial Rule: The Origins of Pakistan's Political Economy of Defence*, Cambridge, Great Britain: Cambridge University Press, 1990.

49. On this topic, see James Lee Ray, *Democracy and International Conflict: An Evaluation of the Democratic Peace Proposition*, Columbia: University of South Carolina Press, 1995.

50. The *total fertility rate* is a World Bank indicator representing the number of children that would be born to a woman if she were to live to the end of her childbearing years and bear children at each age in accordance with prevailing age-specific fertility rates.

51. Hugo Diaz, *Pakistan Poverty Assessment Report*, Washington, DC: World Bank, September 1995.

52. School enrollment data were not reported for all 132 countries in the survey.

53. Quoted in Lee L. Bean, "Growth Without Change: The Demography of Pakistan," in J. Henry Korson, ed., *Contemporary Problems of Pakistan*, Boulder, CO: Westview Press, 1993, p. 37.

54. Lisa Vaughan, "South Asian nations agree to unfetter

trade fast," *Reuters*, November 17, 1995; *idem*, "South Asia edges toward ambitious poverty goal," *Reuters*, January 4, 1996.

55. Pakistani reticence when it comes to expanding trade with India owes a large part of its motivation to fear of India's economic superiority. See, for instance, "Pakistan official sees risks in trade with India," *Reuters*, January 14, 1996.

56. See, for instance, Narayanan Madhavan, "India-Pakistan ties sour before World Cup cricket," *Reuters*, January 3, 1996.

57. See, for instance, Toufiq A. Siddiqi, "India-Pakistan Cooperation on Energy and Environment: To Enhance Security," *Asian Survey*, Vol. 35, No. 3, March 1995, pp. 280-290.

58. Just how deep these differences lie in Indian history is, of course, a focus today of immense controversy among historians. For one argument that the roots of Hindu-Muslim hostility are historically very deep indeed, see Gerald Larson, *India's Agony Over Religion*, Albany: State University of New York Press, 1995.

59. "Right-wing leader for a nuclear India," *United Press International*, November 18, 1995; and "Kashmir a major poll plank for India Hindu party," *Reuters*, November 13, 1995.

60. See, for instance, Michael Krepon and Amit Sevak, eds., *Crisis Prevention, Confidence Building, and Reconciliation in South Asia*, New York: St. Martin's Press, 1995; Michael Krepon and Jill R. Junnola, eds., *Regional Confidence Building in 1995: South Asia, the Middle East, and Latin America, Report No. 20*, Washington, DC: The Henry L. Stimson Center, December 1995; and Samina Yasmeen and Aabha Dixit, *Confidence-building in South Asia, Occasional Paper No. 23*, Washington, DC: The Henry L. Stimson Center, September 1995. This last essay, which emphasizes a nonmilitary, mainly psychological and perceptual understanding of confidence-building, exhibits both the extraordinary breadth of definition and part of the weakness of the CAM/CBM project.

61. Michael Krepon, "South Asia: A Time of Trouble, A Time of Need," p. 2.

62. Wirsing, *India, Pakistan, and the Kashmir Dispute*, pp. 255-263.

## CHAPTER IV

### TIGERS IN THE SHATTERBELT: ASEAN SECURITY ARCHITECTURE TO THE YEAR 2000 AND BEYOND

Marc Jason Gilbert

#### Introduction.

The decade between 1986 and 1996 witnessed a sea change in Southeast Asia's security posture. At the beginning of this era, the Cold War still shaped the agenda of its most significant regional organization, the Association of Southeast Asian Nations (ASEAN).<sup>1</sup> ASEAN's primary security interests then were focused on keeping the Cold War's great powers from enveloping the entire region in war. Later, ASEAN was preoccupied with addressing the Cold War's chief legacy in Southeast Asia, the Vietnam-Cambodian debacle. Yet the Cold War provided ASEAN with a clear mandate to develop an indigenous regional response to international conflict. With the waning of the Cold War, ASEAN's mandate on questions of security and regional defense remained clear, but it became far more complex. ASEAN faced the daunting task of encouraging intra-regional cooperation among nations long at odds with each other, while at the same time preserving their collective security interests--economic as well as military--in the face of resurgent Asian powers, such as China and Japan.

Ultimately, ASEAN chose to address these new circumstances in a manner consistent with traditional patterns of Southeast Asian interstate politics derived from the region's status as the Eastern anchor of what world historians often call the world's "shatterbelt." The informality, flexibility, and gradualism that currently characterize ASEAN's approach to security issues are, in fact, typical of an indigenous security architecture that has served the region well for centuries. However, while evidence suggests that this architecture is well-designed to meet many of the challenges posed by today's volatile Asian affairs, the ability of Southeast Asia to maintain an independent course in those affairs remains problematic. Only the extension of ASEAN's approach to regional security to the whole of Asia offers much hope to its member nations that they may play a significant role in any Asian security regime. It is suggested here that this development may well be Asia's best hope for peace and stability to the year 2000 and beyond.

#### The Shatterbelt.

ASEAN's current security architecture is firmly rooted in its experience as part of the so-called "shatterbelt." This is a region of the earth that stretches from Southeast Asia across the

Himalayas and Hindu Kush to Afghanistan, then across Central Asia to the Caucasus and Anatolia and onward to Southern Europe. The human terrain of this belt is complex; it encompasses lands which have long served both as a corridor for human migration and a terminus. Successive waves of disparate ethnic groups have settled there without wholly displacing their predecessors, thus ensuring that, among them, there will be legacies of both prolonged conflict and co-existence.

This pattern of settlement is complicated further by the belt's positioning along fracture lines separating the world's most powerful and dynamic urban civilizations. Each of the shatterbelt's human populations owes much to these civilizations, but their identities depend on defining themselves as unique from them. Experience has shown that shatterbelt states are too internally divided and too geo-politically or economically weak to sustain their absolute independence at all times against the hegemonic ambitions of these civilizations.

As a result, the art of survival in the shatterbelt has depended most often not upon proud defiance, but artful compromise, not upon bold initiatives, but measured small steps. Peace has been sustained not by unilateral action, but by bilateral or multilateral agreements brokered between internal factions, regional partners, and/or extra-regional powers. States in the shatterbelt have experienced periods of great achievement when observing these imperatives and utter misery when they have not, as the recent histories of former Yugoslavia, Afghanistan, and Vietnam make clear.

### **The Shaping of ASEAN's *Modus Operandi*.**

ASEAN's birth was dictated by the Cold War global bipolarism that divided the nations along the entire shatterbelt into camps joined to opposing external powers. Locally, this division stimulated rivalries within and between mainland and island Southeast Asia and recast ancient enmities in terms of critiques of the international economic order. Further, in the aftermath of the Cold War, the region was rife with leadership structures that favored authoritarian and/or militarist political orders that had little use for transparency. These leadership structures were naturally suspicious of their neighbors and doubly suspicious of the loyalty of their own minority populations whose lands of origin lay directly across disputed border lands and/or sea lanes. Yet, ASEAN actually benefitted from this turmoil as it forced its member states to confront the immutability of the region's common traditional shatterbelt security concerns: the fear of the loss of national sovereignty (from command over fractionated populations to command over vital economic resources), the fear of bilateral interstate relations with

untrustworthy allies, and the fear of international alliances that held out the promise of collective security but fomented regional competition and led to subordinate relations with neighboring great powers that could guarantee them only an inferior place in the global division of labor.

With its Cold War experience as a base line, ASEAN was disinclined to adopt a binding multilateral regional security structure either of the tentative type broached by Soviet General Secretary Leonid Brezhnev in the 1970s or the more inclusive plan suggested later by Mikhail Gorbachev. Nor did ASEAN intend to ride the coattails of a coalition of Asian powers either linked to or independent of the United States. The drawdown of Soviet/Russian and U.S. forces in Asia, China's unstable economic condition and objections to multilateral alliances, and Japan's history and its inability, at least in the short term, to deter possible Chinese aggression, left ASEAN with no acceptable partners in any Concert of Asia. The very weakness of the post-Cold War U.S. presence in Southeast Asia enhanced, in ASEAN's view, America's role as a possible regional power broker and/or balance wheel; but the propensity of the United States, China, and Japan to juggle power among themselves and to relegate Southeast Asia to the status of a junior partner in Asian-Pacific economic and security arrangements thus far has deterred ASEAN from hitching its star to American initiatives.

A powerful internal logic also has acted to forestall ASEAN's rapid evolution into a formal defense community like the North Atlantic Treaty Organization (NATO). NATO, like most alliances, owes its existence to immediate and sustained external threats. Yet ASEAN matured at a time when the chief challenge was not to deter an invasion or force of arms, but to remove the grounds for future aggression by eliminating conditions in which threats to regional security could emerge. ASEAN's search for appropriate preventative diplomacy led naturally to the development of the confidence-building measures and patterns of constructive engagement which now characterize its approach to security issues. Determined to avoid the tendency of Cold War-era diplomacy to employ multilateral defense umbrellas as a means to define and separate nations rather than bring them together, ASEAN sought to build regional consensus for peace upon a foundation of trust arising from a multitude of successful bilateral arrangements. These were expected to form an inclusive security web, rather than a wall or line in the sand.

The benefits of ASEAN's defense posture were many. ASEAN was able to stimulate friendly contacts between the region's political and military establishments and surround potential enemies with a comforting cocoon of institutional contacts, economic ties, and transparent low-level military accords. While promoting inclusive and expandable strategic protocols (for

example, most recently the Southeast Asian Nuclear Weapons-Free Zone), ASEAN avoided formal defense agreements, preferring post-ministerial meetings, caucuses, and even state dinners to treaties and official meetings. Many criticized this preference as too tentative, but, as Michael Antolik has noted, "It exemplifies what Singapore Ambassador Tommy Koh called the Asian preference for the step-by-step, non-institutional approach."<sup>2</sup>

### **ASEAN in the 1990s.**

ASEAN's current effort at facilitating Thai-Vietnamese *rapprochement*, which has long been seen as the key to peace and stability in the region, epitomizes the success of this approach. Prior to 1986, only Indonesia's relations with China may have been as dark as those between Thailand and Vietnam. Each saw the other as an aggressive, hegemonic power with diametrically opposed economic interests, to say nothing of ideological orientation. Between 1986 and 1991, changes in the world economic and political order, most particularly Vietnam's increasing need to import capital and Thailand's need to export capital, favored improved relations. However, differences over the role and influence of China in the development of the Mekong Basin, complicated by the legacy of Cold War antagonisms, helped keep both nations apart, even as the chief issue driving Thai-Vietnamese foreign policy discord--the Cambodian embroiligo--wound down. Vietnam hoped that with the success of *doi moi* (the Vietnamese equivalent of *Perestroika*, or reconstruction) upon which the survival of both the Vietnamese nation and its leadership depended, the Cold War division between communist and non-communist states in Southeast Asia would soon fade. Therefore, with the waning of the old bipolar ideological differences, the region's states came to realize that improved relations among ASEAN, Vietnam and Laos would allow these states to present a strong, united front in defense of the region's interests.

The problem for Vietnam was an absence of trust between itself and Thailand, sustained, in part, by the almost complete lack of personal knowledge of each other's leadership. This lack of knowledge prevented Vietnam and Thailand from recognizing that a new wave of pragmatic outward-looking technocrats was coming to the fore in both states. Vietnamese Prime Minister Vo Van Kiet sought to break through these clouds of mistrust and ignorance by making a tour of ASEAN member states in 1991. Had ASEAN not been committed to developing consensus and bilateral relationships among its members and neighbors as the foundation for multilateral agreements, it is possible that Vo Van Kiet's 1991 tour (and those that were to follow in successive years) would have achieved little.

ASEAN's policy of inclusion, however, turned Vietnam's overture into a prelude for Vietnam's and Laos's 1992 signing of ASEAN's 1976 Treaty of Amity and Cooperation. The countries' entry into this agreement qualified them for the admission to observer status at ASEAN's Annual Ministerial Meeting.<sup>3</sup> By 1994, the foreign ministers of both nations were added to the newly established ASEAN Regional Forum, a brief, informal, all-inclusive post-Annual Ministerial Meeting gathering that is the fullest expression to date of ASEAN's vision of a security community. As a result of these confidence-building efforts, Thailand joined other ASEAN states in sending high-level delegations to Hanoi, breaking decades of estrangement. By this gradual process, ASEAN not only helped provide the necessary political space for improvements in Thai-Vietnamese relations and paved the way for Vietnam's and Laos's admission to ASEAN, but it did so without angering China, for that nation was simultaneously wooed into the Regional Forum's fold. In fact, ASEAN's receptivity to Vietnam's initial overtures may have played a role in encouraging the ground-breaking Sino-Vietnamese dialogue that culminated in ministerial and summit meetings between Vietnamese and Chinese leaders in 1993.

ASEAN's successful effort to begin bridging the communist/non-communist divide in Southeast Asia was merely one of the more dramatic of ASEAN's achievements since 1990. Other successes include reducing occasional Thai and Indonesian muscle-flexing as regional kingpins and working with the United States to steer Malaysian efforts at creating what has been characterized by one scholar as "an East Asian Economic Zone without Caucasians"<sup>4</sup> to something less exclusive and more productive, such as the East Asian Economic Caucus (EAEC). ASEAN also has encouraged a variety of schemes to promote the inter-regional exchange of intelligence data and participation in joint military training and exercises. ASEAN soon may develop a "coast guard" capacity to address commonly the piracy, smuggling, and illegal immigration issues that have long troubled the region. Other plans include a regional center for security studies, a regional register of arms holdings or transfers, and a code to govern arms sales so as to reduce fears of an arms race raised by the somewhat inevitable modernization and expansion of virtually all armies and navies in the region.<sup>5</sup>

#### **ASEAN's Security Architecture to the Year 2000.**

ASEAN, however, remains reluctant to effect the transition to a European-style defense alliance. In 1994, after signing a defense accord with the Philippines, Malaysian Defense Minister Njaib Abdul Razak declared that Southeastern Asian states were working to form "a network of defense ties that will enable them to act as military allies." Yet, at the same time he rejected the

idea that ASEAN might turn into a formal defense alliance, arguing that this "would only heighten regional tension."<sup>6</sup> ASEAN seems determined to act on the principle that by not even mentioning the word "security" in its Regional (Security) Forum, this body is freer to promote it.

The Clinton administration has noted how wide ASEAN and its member states have spread their Taoist web of collective bilateral threads. His administration has even facilitated this development by the removal of its own traditional objection to multilateral arrangements in Asia. At the urging of ASEAN leaders to adopt a posture more in tune with Asian realities as they saw it, President Clinton has expressed the hope that the ASEAN technique of building multilateral agreements on the basis of bilateral agreements "can function like overlapping plates of armor, covering the full body of our common security concerns."<sup>7</sup>

The measure may be taken of ASEAN's ability to contribute to the realization of such a goal, as well as the basic strengths and weaknesses of ASEAN's approach, by ASEAN's recent response to China's effort to increase its influence and military presence in Myanmar. That state's leaders, as is so often the case in the shatterbelt, have sought to strengthen themselves against domestic turmoil and international isolation by opening their doors to a stronger neighbor. China's base building and massive military assistance to Myanmar's government over the past 3 years have been viewed with great concern by the United States and India. Both of these governments have urged ASEAN to join with them to oppose China's seeming projection of its power into the Indian Ocean and to condemn Myanmar's human rights record. For its part, India also sought to advance its *desiderata* of a military alliance among itself, ASEAN, and Japan, to contain future Chinese expansionism or, at the very least, to discourage China from arming insurgents on the India side of the old China-Burma-Indian frontier.

ASEAN member states did bridle when the Myanmar government, buoyed by Chinese assistance, resumed the persecution and deportation of its Muslim population, but ASEAN itself remained true to its nature. Much to the chagrin of the United States and (at least initially) India, ASEAN employed its tried and true instrument of constructive engagement in an attempt to wean Myanmar away from dependence on China and into the ASEAN fold.<sup>8</sup> The accomplishment of this task would finally bring all the major states of the region under the ASEAN umbrella. It would also send a typically soft, but important, message to China: there is far more profit to be made by respecting ASEAN's influence as a geopolitical balance wheel and its value as a friendly trading block than by viewing it as a speedbump on the highway to a confrontation with India. As economics, and not global military reach, seems at present to be driving China's Myanmar policy,

ASEAN may once again be able to finesse its way toward a more stable security environment. However, in the event of a Chinese economic collapse or political crisis, the keepers of the Middle Kingdom might exercise its traditional territorial ambitions in this direction or, given its shifting position on the Spratly Islands, in any direction. Whither then, ASEAN?

The inability of ASEAN to muster sufficient threat of force to deter aggression is of paramount importance to those who doubt the viability of ASEAN as a guarantor of regional security and stability. How, they ask, can ASEAN nations defend even their own region adequately without becoming a part of a larger, more formal defense scheme involving some combination of Asian and Western Powers? Some admit that ASEAN's current security architecture is well designed to sustain ASEAN interests in a world fundamentally hostile to smaller or weak regional national groupings, but they nonetheless argue that the ability of such regional groupings to secure their place in the emerging New World Order (and their viability within it) may be limited.

ASEAN might answer that the more formal arrangements its critics favor offer no panacea. It could argue that the European Community and NATO proved unable to apply an early saving salve to the open wound that was Yugoslavia in crisis, and that only now, when the mere gangrenous stumps of that nation remain, is NATO adopting the type of "confidence building" approach ASEAN has for so long favored. ASEAN also could argue that Operations DESERT SHIELD/DESERT STORM demonstrate that coalition-building and force inter-operability--further ASEAN strengths--are the wave of the future.

Further, as Robert B. Oxnam has observed, ASEAN has succeeded better at least than American foreign policy advisers at meeting what he calls the "central challenge in the future of America's Asia policy . . . treating headaches before they become migraine crises."<sup>9</sup> If Oxnam is correct in this judgment, it would seem that in the post-Cold War era the ASEAN model for conflict management bears close study and possesses no little utility as a model for the region, particularly in view of the fact that the area of greatest tension in Asia, the China-Korea-Japan triangle, is also the area with the fewest ASEAN-style overlapping bilateral and other confidence-building agreements.

U.S. Defense Secretary William Perry seems to have grasped the value of ASEAN's approach to Northeast Asia, if Eurocentrically. Disturbed by the sabre-rattling between China and Taiwan that has accompanied the run-up to the recent Taiwanese elections, Perry called for the defense chiefs of China, Japan, the United States, and other Asian and Pacific nations to create a new forum for the discussion of regional security issues. Perry declared that "the time has come for the defense leaders of the

Asia-Pacific region to begin forming our own web or security ties," and suggested that Asian nations could use as a model the Partnership for Peace Forum in Europe, whose goal is to "promote western military cooperation with Eastern Europe and the former Soviet Union without issuing formal security guarantees."<sup>10</sup> An inclusive, informal security forum for all of Asia that does not even use the word "security" in its title would appear to be ASEAN's Regional Forum *writ large*, with the added benefit of providing a sturdier framework. Many observers believe that even Southeast Asia's security problems can no longer be addressed effectively by ASEAN's post-ministerial meetings on security issues that seem all too quickly to adjourn to the golf course.

Some critics of Asia's lack of a single multinational security forum would go farther than Perry. They seek a formal alliance structure similar to NATO.<sup>11</sup> Those who advocate any course that does not reflect traditional regional verities, however, may be under a misapprehension of what an Asian tiger represents. Some Asian leaders and their Western colleagues employ the term to mean a rising and worthy competitor. In the shatterbelt, however, the tiger is often viewed as the vehicle for a wandering spirit that defends its vision of *dharma* (moral law) and preys upon the unrighteous. ASEAN has kept these tigers at bay by seeking "acceptable understandings" with the great powers, equitable relations among member states, and a gradual, but increasingly equitable, global distribution of wealth. The pacific, informal, and consensus-seeking strategic posture ASEAN has thus far pursued has kept much of Southeast Asia safe from predators, vengeful or otherwise; its successes--from avoiding U.S-North Korea-type confrontations to promoting the region's economic growth as the best medicine for its security problems--bid others to apply that strategy beyond the confines of Southeast Asia.

## **Conclusion.**

This path may be the only one ASEAN can follow given its relative weakness, but ASEAN's achievements to date, or more accurately, the unpleasantness of available alternatives, are also a warning to any who might be tempted to exploit their military and economic advantage over the region. The sources and pattern of ASEAN's security community remind us of what witnesses to the history of Afghanistan, Cambodia, Chechnya, and Bosnia already know: it profiteth little anyone who lets loose the tiger in the shatterbelt.

## **ENDNOTES**

1. The Association of Southeast Asian Nations was created in 1967 by Singapore, Thailand, Indonesia, Malaysia, and the

Philippines. Newly-independent Brunei joined in 1984. Cambodia and Vietnam were granted observer status in 1993; in 1995 Vietnam became a full-member.

2. Michael Antolik, "The ASEAN Regional Forum: The Spirit of Constructive Engagement," *Contemporary Southeast Asia*, Vol. 16, No. 2, September 1994, p. 125.

3. See Surin Maisrikrod, "'The Peace Dividend' in Southeast Asia: The Political Economy of New Thai-Vietnamese Relations," *Contemporary Southeast Asia*, Vol. 16, No. 1, June 1994, pp. 46-66.

4. N. Ganesan, "Rethinking ASEAN as a Security Community in Southeast Asia," *Asian Affairs*, Vol. 21, No. 4, Winter 1995, p. 222.

5. See Bunn Nagara, "The Notion of an Arms Race in the Asia-Pacific," *Contemporary Southeast Asia*, Vol. 17, No. 2, September 1995, pp. 186-206; and Sheldon W. Simon, "U.S. Strategy and Southeast Asian Security: Issues of Compatibility," *Contemporary Southeast Asia*, Vol. 14, No. 4, March 1993, p. 312.

6. *Far Eastern Economic Review*, Vol. 157, No. 40, October 6, 1994, p. 13.

7. These remarks were made by U. S. President William Clinton during his 1993 visit to South Korea and noted by Frank Ching, "Creation of a Security Forum is a Feather in ASEAN's Cap," *Far Eastern Economic Review*, Vol. 156, No. 32, August 12, 1993, p. 27.

8. J. Mohan Malik, "Sino-Indian Rivalry in Myanmar: Implications for Regional Security," *Contemporary Southeast Asia*, Vol. 16, No. 2, September 1994, pp. 137-155.

9. Robert B. Oxnam, "Asia/Pacific Challenges," *Foreign Affairs*, Vol. 72, No. 1, 1992, p. 72.

10. "U.S. Seeking Forum to Calm Asia Tensions," *The New York Times*, February 14, 1996, p. A6.

11. On January 12, 1996, Thai Defense Minister General Chavalit Yongchaiyudh announced in Hanoi that Thailand and Hanoi would discuss "proposals for a NATO-style regional defense block" designed to "solve all disputes in the region" which the two countries intended to present to other Southeast Asian nations at a conference in March of that same year. The Minister further remarked, "Of course, we don't expect any disputes in the region, but if there are, we should have an organization to solve them. An example for that is NATO, in Europe, which is the organization

to solve all such kind of disputes or disagreements." See *The Indochina Digest*, Vol. 9, No. 3, January 19, 1996, p. 3. *The Indochina Digest* is a weekly publication of the Indochina Project, a nonprofit program of the Vietnam Veterans of America Foundation in Washington, DC.

## CHAPTER V

### THE UNITED STATES AND SOUTHEAST ASIA: TOWARDS A NEW ERA

Perry Wood

#### Introduction.

The 1990s will be remembered as an age of transition in Asia and the world. The old certainties of the Cold War are no longer relevant, but the outlines of the new post-Cold War era remain vague and uncertain. It is clear that we are headed toward a new international system, but the nature of that system remains as yet undetermined. It will be the leaders, policies, and events of the next decade which will shape and define the Asian and world environments of the 21st century.

Southeast Asia is going through its own historic transition. For decades, the region was dominated by external powers--the United States, Japan, the Soviet Union, and China. In 1967, torn by war, internal instability, and poverty, the non-communist Southeast Asian states appeared weak and fragile; 1967, however, was a watershed year. On August 8, 1967, the Association of Southeast Asian Nations (ASEAN) was established.<sup>1</sup> Its foundation was really the first step towards the transformation of Southeast Asia into a center of economically vibrant states with a valid claim to a political leadership role in Asian and world affairs.

Today, that claim is being realized. The ASEAN states are likely to be among the fastest growing economies in the world in the next decade. Their economies are integrated into the rapidly growing Asian regional economy and their importance as export markets for American products has risen steadily, along with the rapid rise in their peoples' standard of living. The increasing integration of the Asia-Pacific economies parallels the development of the Asia-Pacific Economic Cooperation (APEC) forum, which is establishing the political and institutional structure for even broader economic integration--a process in which the ASEAN states have played an important role. In addition, the ASEAN states have extended their "peace" to their former communist enemies in Indochina--working to bring these states out of their isolation into the regional renaissance and realize ASEAN's "historic mission" to become an association of all Southeast Asian states.<sup>2</sup> Along with the end of the Cold War and the end of superpower confrontation in Asia, these developments have led many Asians to hope that the region is entering upon an unprecedented era of peace, regional cooperation, and development.

Unfortunately, contrary trends are also apparent. Strategically, the end of superpower dominance has left many Southeast Asians increasingly worried about external security matters. Indeed, some Southeast Asians believe that the new security environment could entail a much greater risk of regional conflict than the old Cold War era. As the superpower era passes from the scene, other extra-regional states are assuming a higher regional military profile as they rapidly attempt to modernize and expand their military equipment and capabilities. Regional concerns have focused particularly upon China. With the end of the Cold War, the Southeast Asians fear that the larger Asian states' growing affluence and self-confidence may encourage them to pursue their goals unilaterally. Past experience clearly indicates that certain of these states may not be reluctant to use force in pursuit of their goals. Consequently, many Southeast Asian defense experts worry that the risk of limited conventional wars and armed conflicts of varying intensity, duration, and scale could very easily increase in the next century. The ASEAN states, therefore, are investing in enhanced external military capabilities, promoting greater ASEAN security cooperation, and sponsoring an Asia-wide forum on security issues--the ASEAN Regional Forum (ARF).

The ASEAN states are attempting also to preserve strong security ties with the United States, which they believe provides an indispensable stabilizing presence during this difficult transition period. But the United States appears increasingly preoccupied with its internal affairs. Many interpreted the failure of President Clinton to attend the APEC forum in November 1995 due to the budget impasse in Washington as a sign of this preoccupation.<sup>3</sup> Asians have long recognized that American foreign policy is "Eurocentric," despite the fact that American trade with the Pacific has exceeded its trade with Europe for some time. There are many reasons for this focus on Europe. American political and cultural ties to the Continent remain strong, and the top American foreign policymakers have typically been drawn from the ranks of "Atlanticists" and/or "Sovietologists" whose natural orientation has been toward Europe. The Eurocentrism of American policy has, unfortunately, led to a secondary and often derivative role for the Pacific in American thinking.

Southeast Asia, in particular, has suffered in neglect since the end of the Vietnam War. This neglect reflects an unwarranted complacency regarding the region's role in America's wider global interests. In addition, the continued neglect of the region ignores the enormous changes that have occurred in Southeast Asia in the last two decades, which have led to growing American interests in the region and the increasing interdependence of Northeast and Southeast Asian security.

## **The United States and Southeast Asia.**

*United States-ASEAN Economic Links.* ASEAN economic conditions affect American interests in three main ways. First, economic progress in ASEAN is a major determinant of regional stability. Second, commercial relations between the United States and ASEAN have expanded sharply in recent years. Third, ASEAN has become increasingly important to the Asian economy as a whole and specifically to key American allies in Asia, such as Japan and South Korea.

Economic health is a principal component of ASEAN's definition of its own security. Economics supports security through a variety of channels. Perhaps most importantly, economic growth has been a central element of each member's nation-building strategy. The transition from colony to independent state, particularly for countries as internally diverse as some ASEAN members, presented a major imperative to create unifying institutions and linkages; growing markets were a powerful force to that end. Economic growth was also central to overcoming the internal security threats faced by most of the ASEAN states in the 1960s-1970s. Today, internal stability has been achieved largely by the ASEAN states--a success due more to their economic successes than any military operations.

The economic relationship between the United States and ASEAN has grown dramatically over the years. The ASEAN countries were historically important suppliers of such key commodities as natural rubber, tin, copper, and petroleum, but have since emerged as the locations for new and important processing, manufacturing, and service industries. American and Japanese investments have been important sources of stimulation for the growth of these industries. The six ASEAN states have averaged 6 percent annual Gross Domestic Product (GDP) growth since the 1970s. Today, the region is entering upon an economic boom period. In 1993, the combined Gross National Products (GNPs) of the ASEAN states topped \$350 billion. U.S.-ASEAN trade is growing at double-digit rates. From 1988-1993, American exports to ASEAN rose 120 percent. In fact, ASEAN represents the United States' third largest market, behind the European Union and Japan. Total U.S. trade with ASEAN exceeded \$75 billion in 1993.<sup>4</sup> The trends suggest a continued expansion of U.S.-ASEAN links in the future. These economies will be the "big emerging markets" for U.S. companies in the next decade.

A similar description can be provided for the growing importance of links to ASEAN for Japan, and to a lesser extent, for Taiwan and South Korea. Although in some ways these countries present competition for American firms, the main effects of their growing links with ASEAN are beneficial. In particular, the

ASEAN-Japan economic relationship is becoming more balanced, taking pressure off U.S. markets. Indeed, trade growth among Pacific basin countries is increasingly independent of other areas, thus greatly stabilizing the world economy and representing an expanding market for American goods. This trend has been accelerated by the expansion of regional economic cooperation both within ASEAN and in the broader APEC forum.

A further benefit is the indirect regional, even global, impact of ASEAN's success and growing regional role on badly managed and nonmarket economies. The ASEAN states carry the American market economy message far more powerfully than any exhortation from an industrial power. For example, there can be no doubt that ASEAN's example of economic success had an impact on Vietnam and the other formerly communist Indochinese states as they pondered whether and how to take the plunge into the world economy.

*Military Access and Freedom of Maneuver.* Southeast Asia is the gateway between the Pacific and Indian Oceans. United States Navy (USN) and United States Air Force (USAF) forces regularly transit this strategic region en route to the Indian Ocean, the Persian Gulf, and the Red Sea from their bases in Japan and the continental United States (CONUS). American forward defense strategy requires that the U.S. armed forces, especially the navy, have relatively easy and rapid access to Southeast Asia and freedom of movement throughout the region. The vast scope of the Pacific makes it impossible for U.S. forces to respond in a timely fashion to an overseas crisis in Asia or the Persian Gulf without being deployed forward.

The freedom of unimpeded transit through the maritime straits of Indonesia and Malaysia is central to American strategic interests in Southeast Asia. Reduced forces and expanding mission requirements have made shorter sea routes ever more important to American military planners. The Indonesian archipelago, stretching 3,000 miles from mainland Southeast Asia to the Southwest Pacific, forms a natural bridge or barrier (depending upon one's ability to transit it successfully) from East Asia from the Indian Ocean and the Persian Gulf. There are only five major sea routes through this "Malay Barrier." Transiting vessels which want to avoid entering Indonesian waters must either use the relatively shallow Torres Strait between Australia and Papua New Guinea or circumnavigate Australia--both unappealing alternatives entailing considerably longer transit times.

Any obstruction of the key straits through the Indonesian archipelago, therefore, is a threat to the American interest in free and rapid transit between the Pacific and Indian Oceans. Several potential problem areas can be identified. First, a

failure to provide adequately for the safety of navigation through the straits could result in restrictions on transit either by leading to a major accident blocking the straits temporarily or by causing the littoral states to restrict transit rights. This is a particular problem in the Straits of Malacca due to its narrow width and high traffic volume. Malaysian officials have suggested frequently that safety requirements and the protection of the littoral environment might require restrictions on traffic through the straits. These risks are increased by the numerous incidents of piracy in the Straits, which might easily cause a major accident, especially if an oil tanker is involved.

Second, freedom of transit through the straits could be restricted by the ongoing legal arguments over the status of archipelagic seas and the rights of free passage. The Straits of Malacca lie between Indonesia and Malaysia and are recognized, under the International Law of the Sea, as an international sea lane with the right of innocent passage. The other straits, however, all lie within Indonesia's archipelagic waters. The extent of Indonesian authority over these sea lanes has been an issue of contention between the United States and Indonesia. Some Indonesian officials have claimed that Indonesia can close these straits and/or establish its own transit regulations for them. The United States consistently has maintained that these international straits are archipelagic sea lanes under the Law of the Sea and subject to the rules of archipelagic sea lanes passage as stipulated in that international treaty. The number of international straits through Indonesian waters has also been a subject of disagreement, with Indonesia attempting to restrict the number of archipelagic sea lanes through their waters and the United States attempting to have all significant routes through the archipelago designated archipelagic sea lanes to protect freedom of maneuver through the area. The two countries continue to discuss these matters and have to date avoided any confrontation over the issue since this would serve neither country's interests.

An American withdrawal from the region, however, could threaten this informal understanding in the future. If USN forces curtail their transits through these waters, they could jeopardize their status as internationally recognized sea lanes, especially for those routes not frequently used by commercial shipping (which largely transits through either the Malacca Straits or the Lombok-Makassar Straits). More importantly, however, the withdrawal of any significant American military presence in the region would force littoral states to reassess their own security strategy. Restrictions on freedom of transit through their waters is one action that would be quite likely. For their own security, one of the littoral states--Indonesia, Malaysia, or Singapore--might even attempt to deploy forces with

the ability to close militarily one or all of the straits during periods of rising tension. Vessels transiting all of the straits could readily be threatened by a combination of shore-based weapons, missile-armed fast attack craft, and diesel submarines; mines and underwater detection equipment could also be deployed. Such a force could seriously threaten the ability of much larger and better-equipped navies to transit the straits successfully. If the United States does withdraw from Asia at some point in the future, the USN may find it significantly more difficult to transit through this region when the next emergency or crisis occurs in the Persian Gulf/Middle East.

The effective attainment of the American global and regional responsibilities requires forward deployments in Southeast Asia via rotational deployments of both units based in CONUS and units stationed in the Western Pacific. The U.S. ability to maintain its presence in the Western Pacific and project its powers into these other areas depends heavily upon possessing access rights to those military supply, training, and repair facilities within Southeast Asia which supplement its facilities in the North Pacific and CONUS. The establishment of access agreements, training arrangements, and joint facilities within Southeast Asia, thus, is considered to have a high priority by the United States Pacific Command (PACOM).

Since the end of the Cold War and the U.S. withdrawal from the Philippines bases, the ASEAN states generally have been more open regarding their existing security links with the United States, more interested in expanding these links, and more willing to consider various levels of access arrangements. This shift has occurred primarily because these states desire to preserve an American military presence in the region.

The most notable of these "post-Subic" access arrangements is with Singapore. The facilities in Singapore fall considerably short of constituting a "base," despite media tendencies to characterize them as such. Actually, the USN has access to only one berth at Sembawang Wharf, although it has been able to coordinate its use of the facilities with Australia, the United Kingdom, and New Zealand, and thereby gain access to two additional berths. However, the United States has good storage and office space available in Singapore. The availability of office space in Singapore lies behind the USN decision to locate the Navy Regional Contracting Center and relocate the Seventh Fleet's Logistic Support Force there. The United States foresees using Singapore as a regional center for coordinating repair, deployment, etc., throughout the Southwest Pacific. In addition to Singapore's facilities, the United States also has various levels and forms of access arrangements in other ASEAN states.

*Regional Stability.* The prevention of war and the

preservation of regional stability in Southeast Asia are two of the United States' primary interests in the region. Warfare in Southeast Asia--particularly naval conflict--could threaten American interests in several ways. A significant conflict would damage U.S. economic interests, threaten merchant shipping, potentially lead to the blockage of key sea lanes or straits, and perhaps ultimately destabilize some of the ASEAN nations.

In addition, the interlocking structure of alliances in the region might force American intervention in the conflict in some capacity. Thailand and the Philippines both have bilateral defense arrangements with the United States, while the United States also has security ties with all the other ASEAN nations, although no formal alliance commitments. Australia, an ANZUS<sup>5</sup> ally of the United States, is also a member of the Five Power Defense Arrangement (FPDA) with Singapore, Great Britain, New Zealand, and Malaysia; Great Britain, another U.S. ally, has a bilateral defense agreement with Brunei. Only Indonesia does not belong to an alliance with some significant connection to the United States. Nevertheless, Indonesia's strategic importance to the United States, Japan, and Australia makes American inaction in the event of external aggression against that nation unlikely.

The presence of American forces plays an important role in preserving regional stability in Southeast Asia. Southeast Asian states perceive the United States as a relatively benign power with no territorial ambitions in the region, but with clear interests in preserving regional stability and peace. The ASEAN countries universally support a continued American military presence as a check on the ambitions of less benign extra-regional powers whom they fear may have territorial or hegemonic ambitions in the region.

*Preservation of ASEAN.* The American interest in regional stability is also served by the preservation of ASEAN, which reduces the risk of war and works to promote internal stability. ASEAN is the most successful regional organization in the Third World. Since ASEAN's founding in 1967, its members have achieved a level of political and diplomatic cooperation unparalleled by any other regional organization in the developing world. Although economic integration and the development of intra-ASEAN trade have progressed slowly, the nations of ASEAN, by working cooperatively, have been able to enhance greatly their diplomatic influence on international political and economic issues, and create a stable environment that has promoted economic development, reduced the risk of war, and enhanced domestic internal stability within each of the member nations.

Officially, ASEAN is a regional economic grouping. In reality, it is a regional security community. But it is not, like a traditional security grouping, concerned primarily with

the promotion of regional security against outside threats.

Rather, ASEAN was designed as an internally focused security community, intended to reduce tensions and the risks of conflict between its member states in order to allow them to concentrate on their domestic economic development and internal security. The goal of ASEAN is to establish a "zone of peace, friendship, and neutrality." The Treaty of Amity and Cooperation sets forth the basic principles of ASEAN: mutual respect for the independence, sovereignty, equality, territorial integrity, and national identity of all nations; the right of every State to lead its national existence free from external interference, subversion, and coercion; noninterference in the internal affairs of one another; settlement of differences or disputes by peaceful means; renunciation of the threat or use of force; and effective cooperation among themselves.<sup>6</sup>

ASEAN was established during the high point of the Vietnam War in the aftermath of the *Konfrontasi* between Malaysia and Indonesia. The founders of ASEAN recognized that the member nations could not agree on an external defense strategy and, in any case, lacked the military capabilities to give such an approach any teeth. But they believed that if they could agree to disagree, to accept one another's differences and commit to resolving their differences peacefully, they could then concentrate their resources on internal development. They expected that as each nation pursued its own economic development and internal political stability, and thereby enhanced its *national resilience*, a widening pool of *regional resilience* would be created, enhancing regional stability and reducing the risk of war.<sup>7</sup> They were correct.

ASEAN's success has been a central component in Southeast Asia's rapid progression from war and poverty to peace and economic dynamism. In 1967, few observers would have predicted that success. ASEAN's continued success and development will remain important to regional stability and growth in the future as well.

### **Regional Trends in Southeast Asia.**

*Military-Security Developments.* The defense establishments within many of the ASEAN states are not sanguine about the outlook for the future security environment. China (and its activities in the South China Sea) has been the primary cause of concern. These concerns, coupled with victories over their major internal security threats and rising economic resources to devote to defense, have led to a shift away from the Southeast Asian states' traditional internal security focus. External security concerns are now given increasing priority. Accordingly, the

Southeast Asian states have begun to strengthen their own military capabilities, with their focus largely on expanding their air and naval capabilities. This focus reflects the maritime nature of the ASEAN states, which all have long coastlines and large Exclusive Economic Zones (EEZs) to protect; the absence of land-based threats; and the conviction that the long-term potential threat to regional security is posed by the naval and air forces of powers from outside Southeast Asia.<sup>8</sup>

Arms purchases in the last few years by the ASEAN states all reflect this emphasis on enhancing their maritime and air strike capabilities: advanced fighter aircraft, maritime patrol aircraft, missile-armed fast attack craft, larger ship types such as corvettes and frigates, precision-guided missiles, diesel submarines, and a helicopter carrier (purchased by Thailand from Spain). The most spectacular acquisition was Indonesia's purchase of the former East German Navy--39 naval vessels including 16 corvettes--for \$120 million.<sup>9</sup>

There has been considerable concern expressed in some quarters that these new defense acquisitions will fuel an arms race in Southeast Asia.<sup>10</sup> At this point, such fears are misplaced. The Southeast Asian militaries for many years have lacked the capability to meet their security needs. These purchases actually represent very modest efforts to obtain some capability to patrol adequately and protect their air and sea territory. There is no evidence that Malaysian purchases are driven by Indonesian, Singaporean, or other ASEAN states' acquisitions. Rather, all of the states appear to be devoting a small part of their growing economic wealth to remedying serious deficiencies in their existing defense capabilities. Yet, such acquisitions could certainly create an environment of tension and apprehension within ASEAN, if member states perceive these purchases as a threat to their own security.

For this reason, as the ASEAN states develop their naval and air forces, greater emphasis on security cooperation is a necessary component to preserving the ASEAN peace. Without enhanced opportunities to discuss regional security trends and national defense policies at the political level and interact militarily at the operational level, it is possible that the military procurement policies of certain ASEAN states could generate tensions and misunderstandings within the organization. Strengthened regional security dialogues and operational cooperation reduce any such risks.

Public attention has centered primarily upon the ASEAN Regional Security Forum (ARF) which was established in July 1994 at the ASEAN Ministerial Meeting (AMM) in Bangkok. The ARF is intended to serve as a forum for multinational dialogue on political and security issues within Asia--not just Southeast

Asia. An outgrowth of the ASEAN Post-Ministerial Meetings, its membership includes not only Southeast Asian states, but the Northeast Asian states, the United States, Australia, and New Zealand. The establishment of the ARF made ASEAN "the hub of the Asia-Pacific confidence-building and preventive diplomacy activities."<sup>11</sup>

Admittedly only a first, tentative step, ARF nevertheless represents an unprecedented effort. Unlike Europe's long tradition of security consultation, multilateral security cooperation--even dialogue--had never been an established practice in Asia. Mutual suspicions, historical antagonisms, and regional divisions had made bilateral security arrangements the norm in Asia. ARF's establishment clearly reflects both the very real security concerns of regional states and the increasing integration of Southeast and Northeast Asian regional politics.

Operational cooperation also has been growing rapidly among ASEAN states in recent years. Greater coordination and cooperation through training with other ASEAN states, of course, strengthen the capabilities and operational readiness of the ASEAN navies and air forces. It also makes possible joint action in the event of a real emergency in the region. Given the limited military capabilities of the ASEAN states, cooperative deployments with other ASEAN militaries and/or friendly extra-regional states offers significant potential benefits.

When it was formed, ASEAN deliberately eschewed any status as a military alliance. Nevertheless, military cooperation among the member states evolved fairly rapidly--always outside the ASEAN orbit and always on a bilateral, not a multilateral, basis. Today, a network of bilateral military exercises and exchanges exists within ASEAN. Not surprisingly, they typically conduct air and naval exercises far more frequently and successfully than land exercises. Domestic sensitivity to the presence of foreign troops and lingering suspicions have discouraged land exercises. Still, all of the ASEAN navies and most of the air forces have conducted joint bilateral training together.

There is also a sense that some of the items on the new security agenda demand cooperative efforts in order to deal with them effectively. Anti-piracy, counter-narcotics, maritime commercial traffic separation and safety measures, environmental monitoring, EEZ surveillance, fishery protection, and illegal immigration are all issues increasingly likely to preoccupy regional military forces, especially naval and air forces, over the next decade. All of these issues are trans-national and can be handled more readily through a coordinated, cooperative, multilateral approach. Such issues also offer greater potential for initiating regional security cooperation since they do not require the identification of a common external security threat.

Measures to coordinate anti-piracy operations in the straits region between Indonesia and Malaysia, and Indonesia and Singapore, exemplify this new approach. Malaysia and Indonesia formed a joint mission to coordinate maritime enforcement activities in their waters related to drug smuggling, piracy, illegal immigrants, trespassing, maritime safety, and water pollution.<sup>12</sup> As part of this agreement, the two states initiated joint patrol operations in the Straits of Malacca to deter piracy and smuggling.<sup>13</sup> In turn, Singapore and Indonesia agreed to exchange information on piracy and to conduct coordinated patrols in the Singapore Straits and the Philips Channel. Since the initiation of these patrols, the number of recorded piracy incidents has fallen significantly.<sup>14</sup>

A revitalization of security links with Australia accompanied the expansion of intra-ASEAN security cooperation. Australia has gained a new prominence in Southeast Asian security affairs by becoming a high profile advocate of enhanced regional security cooperation and by reinvigorating its own security activities in the region, largely through the FPDA.

The latest sign of Australia's new regional activism was the announcement of a security agreement between Indonesia and Australia at the ASEAN Summit Meeting in December 1995.<sup>15</sup> The agreement, an outgrowth of Australian-Indonesian security relations' steady improvement over the last 6 years, stipulates that the two nations will consult regularly on security affairs at the ministerial level and will pursue cooperative military activities. It also states that the two nations will consult "in the case of adverse challenges to either party or to their common security interests and, if appropriate, consider measures which might be taken either individually or jointly . . . ."<sup>16</sup> While the agreement is far from a military alliance, it constitutes the first military pact Indonesia, a founding member of the Non-Aligned Movement, has signed with any nation. For the United States, the agreement was welcome; in the words of an American official, "It's a healthy development and good for U.S. security interests."<sup>17</sup> The statement reflects the American belief that Australia's security activities in Southeast Asia generally complement American actions, since the two countries basically share the same strategic interests in the region.

Australia promotes multilateral and bilateral security cooperation in all forms as a means of regional engagement (the official term is "comprehensive engagement") and as an instrument to shape Australia's regional security environment in a manner favorable to Canberra. This policy, initiated under the Bob Hawke government, has been continued by Prime Minister Paul Keating. The basic goal of the policy is to gain acceptance of Australia as a regional actor, or, as Foreign Minister Gareth Evans has

stated, ". . . a confident and natural partner in a common neighborhood of remarkable diversity, rather than as a cultural misfit trapped by geography."<sup>18</sup> Other Australian concerns focus on the risks of a destabilizing regional arms race and potential long-term threats to regional security posed by such larger Asian powers as China. Australian defense officials recognize the ASEAN states as the front-line of Australian defense. Enhanced security cooperation and confidence-building measures with ASEAN are seen as important means to preserve regional stability by reducing any potential tensions among local states, while also creating the initial "building blocks" of regional security cooperation as a long-term counterweight to any potential intrusion by China or other external powers.

The main Australian defense activity within Southeast Asia centers around the FPDA. In addition, the Royal Australian Navy (RAN) exercises with every ASEAN nation and conducts joint patrols with Indonesia in the Timor Gap Cooperation Zone lying between the two nation's EEZs. Australia's ability to play a key role in regional security, however, is restricted by its own limited military resources and public unwillingness to support firm military commitments in Southeast Asia. These weaknesses will inhibit its ability to influence the regional security debate in the long-term. Certainly, Australia cannot assume the traditional role of the United States in regional security.

*Economic Cooperation.* Economic cooperation has long lagged behind political and diplomatic cooperation in ASEAN. Although the organization was explicitly established as a regional economic grouping, visible progress towards economic integration has been minimal. Similarly, intra-ASEAN trade has lagged behind the expansion of ASEAN's trade with non-ASEAN members. The signature of the ASEAN Free Trade Area (AFTA) Agreement in Singapore in January 1992, however, may signal a new commitment to push forward real economic integration among member states. Under the agreement, the ASEAN states are to reduce tariffs on goods traded within the grouping to a minimum of 0-5 percent by 2003. At the most recent ASEAN Summit in Bangkok in December 1995, the association even agreed to push forward the date for most of the major tariff cuts under AFTA to the year 2000. While it is true that Indonesia insisted on exempting 15 different agricultural products from tariff cuts under the plan, the association also decided that all products (including those exempted by Indonesia) must be incorporated into AFTA's tariff framework by the year 2010.<sup>19</sup>

Past efforts to expand intra-ASEAN economic cooperation have foundered upon competitive rather than complementary economic structures; a lack of political support; and differing attitudes towards free trade, for, historically, Singapore is generally pro-free trade, Indonesia is usually more protectionist, with the

other members located between these two states. There is reason to believe the situation has changed. In 1994, trade among AFTA members increased 41 percent to \$111 billion, while their total trade with the world rose 30 percent to \$506 billion. This suggests that intra-ASEAN trade is likely to play an increasingly important role in member's economies in the future.<sup>20</sup>

The political leadership appears supportive, perceiving expanded economic cooperation both as a rational economic policy and as a hedge against the risk of rising protectionism in ASEAN's traditional markets in the United States, Japan, and Europe. The leaders also believe that expanding economic cooperation offers an important means of strengthening the bonds between members. This new political commitment was demonstrated at the recent ASEAN Summit in Bangkok. In addition to moving forward the date for the AFTA tariff cuts, the leadership agreed to liberalize key service industries (including banking, telecommunications, and tourism), making them more open to intra-ASEAN investment. Leaders also discussed the creation of an ASEAN Free Investment Area to harmonize all investment rules in the region and the establishment of a single time zone within ASEAN to allow regional stockmarkets to operate on the same schedule.

The goal of these changes was summarized by Singapore's Prime Minister Goh Chok Tong: "Over time, our region's interconnectedness will be as dense as Europe's. And we will grow closer together as a community."<sup>21</sup> Goh's prediction shows the direction in which many Southeast Asians would like to see their region move. Events will show whether their hopes are realized.

*ASEAN and Indochina.* Central to the effort to transform Southeast Asia from an arena of conflict and confrontation into a region of peace and cooperation is the effort to bring the Indochinese states into ASEAN. ASEAN has always maintained that its purpose is to establish a regional order, not merely be an association of a few select states. The realities of the Cold War prevented the realization of this dream. Today, the ASEAN states are determined to reach out to their former communist adversaries and assist their reintegration into the regional and world economies by offering them membership in ASEAN.

In July 1992, Vietnam and Laos both signed the Treaty of Amity and Cooperation, a clear commitment by both nations to respect the tenets of the ASEAN "peace": strict non-interference in the internal affairs of fellow members, peaceful settlement of disputes, respect for each other's independence, and strict respect for the territorial integrity of fellow members.<sup>22</sup> ASEAN immediately granted Laos and Vietnam observer status; both attended the ASEAN Ministerial Meetings in 1993 and 1994. Finally, in July 1995, Vietnam formally became a member of ASEAN.

Burma and Cambodia attended the ASEAN Summit in December 1995 for the first time, leading to expectations that they, plus Laos, would also soon join ASEAN. Sarasin Viraphol, Deputy Permanent Secretary at Thailand's Foreign Ministry, stated, "Hopefully, we can have all ten Southeast Asian states in ASEAN by the end of the century."<sup>23</sup>

The Indochinese states are unlikely to move rapidly to integrate with the other ASEAN economies. The differences between their economies--the differing level of economic development and the remaining command economy elements in the economies of the Indochinese states--and ASEAN's own commitment to move forward on AFTA will likely relegate the Indochinese states to a special status within the association for some years. The immediate consequences of Vietnam and the other Indochinese states entering ASEAN will be primarily political and diplomatic. First, it will help to reduce tensions between the Indochinese states and their ASEAN neighbors. Vietnam has a number of territorial disputes with ASEAN states, including its claim to the Spratly Islands. ASEAN has proven quite effective at managing such disputes among its members in the past, and will likely work hard to achieve a similar reduction in tensions for Vietnam and any other new members. Second, membership in ASEAN will strengthen Vietnam diplomatically in its conflicts with non-ASEAN members, such as China. ASEAN's effectiveness at addressing regional and international disputes has been improving in recent years; ASEAN's diplomatic weight in world fora certainly is greater than that of Vietnam. Finally, membership in ASEAN will clearly indicate Indochina's reintegration into Southeast Asia and be a major step in reducing the risk of future regional conflict. For these reasons alone, the incorporation of Vietnam, Cambodia, and Laos into ASEAN represents a very important step forward towards a future of peace and cooperation in Southeast Asia.

#### **Looking Ahead: The Great Unknowns.**

The shape of 21st century Asia is being created today by the policies of leaders on both sides of the Pacific, but the outlines of the future remain obscure. Southeast Asia is indeed headed towards an era of expanded cooperation, peace, and development. Nevertheless, certain key factors with a fundamental impact on the future of the region remain unpredictable. In particular, two factors will play a critical role--the future of the American military presence in Asia and Chinese policy on the Spratly Islands.

*The Future of the United States Presence.* The American military presence in Asia has been and remains an important stabilizing force. Most countries in the region want the United States to stay, at least during the transition to whatever New

World Order is going to emerge. A precipitous (real or perceived) U.S. withdrawal from the region would intensify regional geostrategic competition and could well trigger a true regional arms race.

U.S. forces in the Pacific fulfill a multifaceted role in promoting regional stability and American interests. Their objectives remain to defend U.S. territory and U.S. allies; to preserve freedom of access to international waters and air space; to demonstrate U.S. commitment to the region so as to deter potential regional aggressors; to be ready to deploy rapidly to respond to regional crises in Asia and regions outside the Western Pacific, such as the Persian Gulf; to support and encourage regional alliances and security cooperation efforts which strengthen regional stability and regional military preparedness; and to enhance the preparedness of allies and friends to deter aggression and operate with U.S. forces.

Pressures for sharp reductions in the American presence come from a variety of sources. The most important is within the United States. Isolationist themes have found a resonance in the U.S. body politic. Strong support exists for focusing primarily upon the many domestic problems that plague the United States--not the least of which are the seemingly unmanageable, corrosive budget deficits. With the end of the Cold War, the level of U.S. military forces and America's overall overseas presence must necessarily decrease. The key questions are how far and from where. Despite the adoption of reasonable military reduction plans for the Pacific, as well as high-level political and military assurances, many U.S. friends and allies in Asia fear that domestic American political dynamics will lead to a rapid wholesale withdrawal of American forces from the region.

It is clear that U.S. force posture in the Pacific will continue to rely heavily on Japan. Therefore, domestic developments in Japan could potentially also precipitate an American withdrawal. The Japanese are increasingly nationalistic--rightly proud of their record of economic success, resentful of what they see as continual and escalating harassment from the United States, and increasingly willing to take policy positions which diverge from those of the United States. At present, nationalism does not seriously threaten relationships with the United States or the American military presence. Still, all relationships must not only be mutually beneficial, but adaptive to new conditions, if they are to survive. With the end of the Cold War, the United States must redefine its relationship with Japan.

Basing and access issues will be at the forefront of this process. The recent furor over the rape of a 12-year-old Japanese school girl by U.S. service personnel stationed on Okinawa led to

public demonstrations calling for the termination of American bases on the island. The public displays of anger over the presence of the bases reflected not just outrage at this one incident, but long-standing Okinawan opposition to bearing the overwhelming bulk of the burden of the U.S. military presence in Japan. Much of the Okinawans' resentment, in fact, is not directed at the United States, but at the central government in Tokyo, which has neglected Okinawan concerns and failed to pursue efforts to diversify U.S. facilities away from their heavy concentration on Okinawa. In reality, Okinawan opposition to the U.S. presence is not likely to force Tokyo to request the withdrawal of American forces. The political power of the Okinawan opposition remains limited. Nevertheless, politics are changing rapidly in Japan, and Okinawan opposition may become more significant in the future. It would be preferable if the U.S. presence could be diversified to other areas in Japan.<sup>24</sup> This is obviously a matter that can only be addressed by Tokyo, but Washington must be aware of these risks to the U.S.-Japan Security Treaty and the U.S. presence in Japan.

A real threat to the United States-Japan relationship is not likely in the short term, but if the relationships are mismanaged, such an outcome could become less improbable in the future. Both the United States and Japan need to expand popular support for the defense relationship. While the leadership of both countries is firmly committed to maintaining the United States-Japan security relationship, without broader public support it will remain vulnerable to political disputes over trade, burden sharing, diplomatic incidents, or simple isolationist sentiment.

In Southeast Asia, it is clear that there are no facilities available which will replace those lost in the Philippines. No country is willing to offer home porting or to host the scale of American presence once found in the Philippines. Nevertheless, the changing strategic environment has led to some remarkable shifts in attitudes in these traditionally nonaligned nations. It is no longer unthinkable to accept U.S. forces openly, as long as the terms and limits of that presence are clearly defined. Access to Southeast Asian facilities for purposes of training, supply, repair, refueling, storage, shore leave, and other similar activities is viable in many countries and can be useful to U.S. planners. In addition, American security ties with Australia will likely become increasingly important as Canberra assumes a greater role in the South Pacific, Southeast Asia, and the Indian Ocean. Australia remains a solid American ally and can be counted upon to allow the United States access to almost any facility short of home porting.

Overall, the minimal basing arrangements in place appear to provide the practical requirements necessary for preserving an

American presence in Asia. It remains to be seen, however, whether the United States itself will preserve the political commitment to stay in Asia. Certainly, any rational assessment would suggest that the United States cannot afford to withdraw from Asia. The future of the United States and its economic well-being is irrevocably linked with the future of the entire Pacific Rim. The United States itself is a Pacific nation. American trade with Asia exceeded that with Europe over a decade ago, and the gap has continued to grow. Japan, South Korea, Taiwan, China, and, increasingly, the nations of ASEAN have become centers for American trade and investment, as well as sources of foreign investment in the United States. Disengagement from the Pacific is not a viable American option. Indeed, fundamental international political and economic trends suggest a deepening American involvement in the Pacific over the course of the next decade. American political and economic interests, coupled with rapid changes within the region, certainly suggest that the time is not right for an American withdrawal from Asia. At this moment, Asian regional security cooperation remains embryonic, while many Asian countries fear the growth of new, regional security threats. America has played an important role in encouraging regional states to cooperate and build the foundation for better relations; withdrawal of U.S. forces would rock that foundation. An American withdrawal would definitely not promote American interests.

*China and the Spratly Islands.* China remains an enigma. The direction of Chinese foreign and military policy will have a critical influence on the region, but will ultimately depend upon the resolution of fundamental political conflicts in China, including the succession to Deng Xiaoping and the evolution of a viable post-Deng regime. The outcome of these conflicts is impossible to predict at this time. Still, certain basic characteristics of any post-Deng regime are already readily apparent.

There will be no supreme leader. No future Chinese leader will possess power comparable to that now held by Deng Xiaoping, at least not for many years to come. None of the current competitors for power in China has a political support network comparable to that of Deng. Accordingly, the importance of coalition politics within China will increase after Deng. The new leader will be an individual skilled at putting together coalitions, who is able to build a majority coalition within the Party, provincial leadership, and military in support of his programs.

Political power is bleeding away from Beijing. In the future, real political power in China will increasingly rest with the provinces. The central leadership coalition will consist largely of representatives of provincial power bases led by local

political bosses. This has important implications for Chinese policy. Local interests will clearly have greater influence on national policy. Furthermore, Beijing's ability to force recalcitrant provinces to enforce central government edicts and/or international agreements will be very limited. For example, the government's ability to meet successfully its commitments to prosecute Chinese violators of international copyright, trademark, and patent rights will undoubtedly be seriously compromised, even if the central government is genuine in its commitment.

Younger Chinese officials also have relatively weak ties to the military. When one of these younger leaders assumes paramount power, he will have to rely on one or more top military leaders to provide him with the support of the military. As a result, the political influence of the top military leadership in post-Deng China is almost certain to expand. This growth of military influence is already apparent in the double-digit increases in Chinese military spending since Tiananmen.

There are also certain basic tasks which will face any post-Deng government, including the development of a stable mixture of economic growth and reform policies that do not threaten the fundamental political bases of the regime. Foremost among these tasks will be the restoration of the government and party's popular legitimacy. Any regime which fails to reverse successfully the growing societal alienation from the regime and restore popular support will ultimately collapse. Nationalism offers one key instrument in this process. For this reason, Chinese foreign policy may reasonably be expected to assume an increasingly nationalistic emphasis. Already, China's sensitivity towards its status as a world power is becoming apparent, with many Chinese arguing that U.S. opposition to Beijing hosting the Olympic games, the denial of China membership in the World Trade Organization (WTO), and disagreements over human rights and arms transfers reflect an American "containment" policy to belittle China and prevent it from assuming its rightful leadership role in world affairs.

In Asia, Chinese policy on a host of different issues will be watched closely in the next few years for indicators of the direction China is likely to take. Chinese actions on Hong Kong, cross-straits relations with Taiwan, arms transfers, naval and air modernization, and territorial disputes are all likely to be viewed as important indicators by many Asian states. Ironically, the current perception of China in Southeast Asia is being fundamentally shaped not by its attempts to play a world leadership role, but by its policies with regard to a group of tiny atolls, rocks, and islands in the South China Sea, once largely unknown outside the region--the Spratly Islands. The Spratlys are claimed to various extents by China, Taiwan,

Vietnam, the Philippines, and Malaysia. By themselves these islands are largely worthless. But the Law of the Sea Convention confers upon any state with a recognized title to islands the right to the full complement of maritime zones, including a territorial sea, contiguous zone, a 200-nautical mile EEZ, and 200-nautical mile Continental Shelf claim.<sup>25</sup> This is quite a bit of real estate to obtain from controlling an "island," which is frequently underwater at high tide.

China is primarily responsible for the current climate of tension and potential crisis in the South China Sea. Its military might, coupled with its willingness to use it, has made China the driving force in the current dispute. It has been China's actions which have generally forced responses from the other claimants.<sup>26</sup> Three factors can be discerned behind China's behavior: nationalism, oil, and military/security concerns.

One of the reasons the Spratly issue has recently become important is that certain senior officials want to assert China's rights to the chain.<sup>27</sup> China claims that the Spratlys "have been part of China's territory since ancient times"<sup>28</sup>--"part and parcel of the motherland."<sup>29</sup> In reality, none of the claimants possesses anything approaching a clear title to the Spratlys. China's claim of long historical ties with the islands is not supported by the historical record. A state cannot acquire title to an island simply because some long dead persons of the same nationality once happened to fish off its coast or had the misfortune of being shipwrecked on its shores. The other states' claims are on equally shaky legal ground.<sup>30</sup> Not surprisingly, not one of the claimants has been willing to subject its claims to arbitration.

Nevertheless, the imperialist era, with its legacy of unequal treaties, left all Chinese hyper-sensitive to any infringement of China's sovereign rights, especially on any issue involving Chinese territory. Most Chinese devoutly believe the Spratlys to be part of China. One Chinese delegate to the 1991 South China Sea Conference in Bandung told reporters, "It is Chinese territory. How can a country give up land that belongs to it?"<sup>31</sup>

Economically, the big question is oil. It is difficult to judge the actual oil potential of the South China Sea island region. Little is known of the geology of the area. But a lack of information has not stopped the claimants from postulating a great treasure of black gold waiting for the owner of these islands. An internal Chinese government document's estimate that, in terms of resources, the South China Sea holds reserves worth US\$1 trillion<sup>32</sup> appears totally fanciful. But China has offered similarly inflated estimates in other contexts, citing tens of billions of barrels in some cases; one unofficial, pro-Chinese Navy source even argued that the area had 45 billion tons of oil

and natural gas reserves.<sup>33</sup> In the absence of any solid data, such extravagant expectations will likely drive the policies of China and the other claimants.

China's oil situation is becoming serious. Rapid economic growth, especially in the southern and coastal provinces, and rapidly rising urbanization generally have caused a major escalation in China's oil consumption. The Chinese oil industry is in chaos, and efforts to restrict consumption have proven ineffective. While China is believed to have significant oil reserves in its interior, the area is extremely remote and would be costly to develop. The islands, therefore, appear inviting--promising potentially rich rewards at lower costs and with easier transport to the dynamic coastal areas, which need the oil to fuel their economic development.

Finally, elements within China's military, especially the Chinese Navy (PLAN), are keenly interested in using the islands as a justification to increase arms purchases and adopt a more aggressive regional military posture. Persistent reports indicate that the PLAN has opposed strongly Foreign Ministry efforts to resolve the Spratly issue through diplomacy.<sup>34</sup> Modernizers within the PLAN, who have long argued that China's economic, strategic, and national interests required a strong navy, use the Spratlys as a prime example.<sup>35</sup> PLAN analysts assert that the Spratlys are strategically located along the Sea Lines of Communications (SLOCs), part of China's sovereign territory, and vital to its future economic development.

The PLAN apparently has allocated most of its new vessels and equipment, as well as some of its best units, to the South Sea Fleet, which is responsible for the South China Sea. Furthermore, despite their late start, the Chinese have established the largest and most capable force deployed on the South China Sea islands. Overall, the Chinese military is clearly the dominant force in the Spratlys. The PLAN is an enormous force with a relatively small number of modern, capable combatants and a large number of marginal vessels. Nevertheless, its best units are as good as (and mostly better than) anything the other claimants possess, while the sheer size of the fleet is simply overwhelming to the tiny Southeast Asian navies.

The key question for the future is how China will pursue its claims. Will China attempt to seize the islands by force or will it pursue diplomacy? To date, China appears to be employing a dual track policy, encompassing both diplomacy and a unilateral, aggressive assertion of its claims. The Foreign Ministry has consistently promoted a nonaggressive line, advocating joint development and offering to postpone sovereignty considerations. But China's actions on the ground have not tallied with this approach. The dual character of China's strategy may be the

result of internal bureaucratic disagreements within the government, a deliberate strategy, or some combination of the two. In 1992, Chinese Foreign Minister Qian Qichen pledged to the ASEAN Foreign Ministers that China would not use force to assert its claims.<sup>36</sup> But Qian's statement apparently did not rule out the possibility of Beijing occupying more islands; in 1995, China occupied Mischief Reef and placed markers on several atolls within waters claimed by the Philippines. Previously, China had only occupied islands in areas claimed by Vietnam. China has ignored ASEAN suggestions that it sign the Treaty of Amity and Cooperation, which renounces the use of force in the settlement of regional disputes, as the "basis for establishing a code of international conduct over the South China Sea."<sup>37</sup>

The contradictory nature of Chinese policy on the Spratlys has raised regional tensions, which have been further aggravated by the vagueness of China's claims. Official Chinese maps only serve to heighten concern over the issue. The meaning of the demarcation line, keyed on the maps as the "national boundary" line, is unexplained.<sup>38</sup> Indonesian Foreign Minister Ali Alatas attempted to clarify the meaning of this claim line during a July 1995 meeting with Qian Qichen in Beijing. Qian told Alatas that China made no claim on Indonesia's Natunas Islands, but refused to explain the purpose of the line, telling Alatas "you draw your own conclusions."<sup>39</sup> Whatever the purpose of the line, the map has certainly been a diplomatic disaster for China. According to one analyst, the boundary line on the maps "looks like a large tongue extending from the coast of southern China sweeping along the western coast of the Philippine Palawan and the eastern coast of Vietnam and reaching the northern coast of Malaysian Borneo."<sup>40</sup> Sinophobic Southeast Asian strategists find in these maps the confirmation of their fears and convictions that the Chinese are bent on regional domination and conquest.

China's actions in the Spratlys have been a major factor influencing the strategy and planning of the Southeast Asian militaries as they move towards an external defense orientation. While arms expenditures are still modest among ASEAN states, fear of China remains a force which could generate much greater spending, particularly if the United States withdraws from the region as many fear. In this event, a real ASEAN arms race cannot be dismissed as a impossibility.

The ASEAN states not only do not agree on how to deal with China, but those with claims in the Spratlys remain suspicious of each other. The Philippines and Vietnam would like ASEAN to confront China over the Spratlys. Malaysia, while suspicious of China, believes that this approach would not work. According to one Malaysian diplomat, "The more pressure you put on China, the more allergic it becomes."<sup>41</sup> In turn, Thailand, which has no claims in the South China Sea, has a very different view of

China--as a potentially useful counterweight to other powers. Indonesia, despite its own long-standing suspicions of China, has attempted to broker a resolution of the dispute by adopting a neutral stance and sponsoring several international conferences on the South China Sea. If China were to exploit these differences successfully, targeting one ASEAN member for an aggressive approach, while adopting a conciliatory approach to the other ASEAN claimants, it could lead to rising tensions in the organization and weaken its ability to operate effectively.<sup>42</sup>

From the U.S perspective, the Spratly issue poses several problems. It is certainly a definite hazard to regional stability and may pose a long-term threat to ASEAN's unity and effectiveness as well. The territorial disputes in the South China Sea may also endanger both commercial and naval transit through the region. The major sea lanes, while bypassing the Spratlys themselves, would be included within any EEZ or Continental Shelf claim made by a successful claimant. The main perils would come from the establishment of air defense, military exclusion, and/or some other form of security zone in areas which cross the SLOCs. Nations would most likely establish such zones if oil exploration and development became significant in the area, since the zones would be designed to protect any oil installations from rapid and unpredictable attacks. If military conflict did occur, several additional threats are possible, including illegal interdictions of merchant shipping by one or more claimants or mining operations leading to mines drifting into the sea lanes.

The United States does not judge the merits of any of the disputants' claims; rather, it supports freedom of navigation and a peaceful resolution of the dispute through regional (not U.S.) mediation. America's low profile is clearly the only viable approach. Unfortunately, many ASEAN officials believe that the United States has not made its opposition to the use of force sufficiently clear to China. They believe that the Chinese have concluded that they can use force to resolve the dispute without provoking an American reaction, as long as they exercise caution and limit its use.

If their fears are valid, the United States may wish to clarify its position, since a military resolution of the Spratly dispute is not in America's interests. It could greatly extend Chinese power in the region, potentially threaten freedom of transit, and resurrect armed confrontation in Southeast Asia--short-circuiting the current efforts to promote peace and cooperation in the region.

Renewed tensions would also have important implications for the security environment in Northeast Asia. Japanese defense officials, for example, are highly suspicious of China. An

aggressive Chinese solution to the Spratlys would certainly raise Japanese threat perceptions of China. Japan and China already have their own territorial dispute over the Senkaku Island chain. Furthermore, Japan also has vital interests in freedom of transit in the South China Sea, which China could threaten.

Resolution of the Spratlys dispute may well be one of the keys towards shaping 21st century Asia, with one path leading towards peace, development, and enhanced regional cooperation and the other toward renewed conflict and confrontation among competing regional powers (such as Japan, China, and Indonesia). The Spratly issue is one more area where the preservation of a strong American presence and a clear American commitment to regional stability may be vital in the short term to realize the long-term hopes of 21st century Asians and to meet America's own security interests.

### **Conclusion.**

In the 21st century, Southeast Asia will be a fundamentally different region from the Cold War battleground of the latter half of the 20th century. Southeast Asia will be a region of growing wealth, dynamism, and economic opportunity. It will be a region of increasingly capable militaries, with greatly enhanced air and naval capabilities. The United States will have to shape its policy carefully in this increasingly multipolar, strategic arena, with an eye toward the activities and interests of the ASEAN nations, as well as the outside powers active in the region, such as Australia, Japan, and China, and perhaps Russia and India. Whether it will be a region characterized by peace, stability, and expanding regional cooperation or a region of confrontation and conflict will depend heavily upon the policy choices and events of the next 10 years.

The role of the United States during this period will remain important. The United States is no longer the resident hegemonic power in Southeast Asia as in the 1950s-1960s. Its relative military and economic weight in the region have declined and will continue to decline in the future. But the United States remains *primus inter pares*, first among equals. Furthermore, intrinsic American interests in Southeast Asia are increasing, while Southeast Asia's importance for American global security interests remains strong. To protect these interests and shape a positive regional environment in the 21st century, the United States cannot afford to turn its back on the region.

The preservation of a viable American military presence in Asia will be critical during this period of transition. Regular deployments through the area, bilateral exercises, and port visits provide visible demonstrations of American engagement in

Asia and enhance regional stability. An American withdrawal would have the opposite effect.

Regional security, however, cannot remain primarily the responsibility of the United States. The ASEAN nations are already engaged upon a significant military expansion program. The United States should encourage their efforts through foreign military sales, training, joint exercises, and other means to assist in the reasonable development of their military capabilities. At the same time, the United States should encourage the ASEAN nations to continue to enhance their bilateral and trilateral security cooperation, as well as their efforts to improve the transparency of their defense programs. The strengthening of the ASEAN militaries and enhanced mutual cooperation and understanding among them would strengthen the ASEAN nations' own ability to preserve regional stability, create the basis for meaningful U.S.-ASEAN military cooperation in an emergency, and reduce the burden on the U.S. military.

As the Southeast Asian states enhance their military capabilities, the continued development of the ARF will help promote regional understanding and reduce potential tensions. More importantly, perhaps, the ARF will also play an important role in promoting understanding and reducing tensions between the ASEAN states and the Northeast Asian states. As Southeast and Northeast Asia become increasingly integrated and interdependent, this function of the ARF will become critical to regional stability and confidence building.

Policy flexibility, a willingness and ability to deal with all of the actors involved, and coordination with U.S. friends and allies will be at a premium as Southeast Asia becomes a multipolar theater integrated into the broader Asian international environment. The decline in U.S. relative power and growing Asian policy assertiveness will force the United States to adopt a different foreign policy approach to the region. A successful American regional policy will have to place primary emphasis on cultivating regional support for its positions, demonstrate greater understanding of the region, and devote more attention to the area in the future. ARF, APEC and other less formal institutions and exchanges will assume an increasingly critical role in this process.

The development of an informal cooperative relationship with ASEAN to enhance regional stability and economic growth is strongly in America's interests. The United States and the ASEAN states share many common interests and a commitment to regional cooperation. The ASEAN states will never accept a dependent or "allied" relationship with the United States. Rather, they will remain determinedly independent. Still, their common concerns and shared interests form the basis for an independent, but

coordinated, approach to regional affairs which can work to build a 21st century Asia congenial to both the United States and the indigenous states.

#### ENDNOTES

1. The original members were Singapore, Indonesia, Thailand, Malaysia, and the Philippines. Newly-independent Brunei joined in 1984. In 1993 Cambodia and Vietnam were granted observer status; Vietnam became a full member in 1995.

2. Sukhumbhand Paribatra, "From ASEAN Six to ASEAN Ten: Issues and Prospects," *Contemporary Southeast Asia*, Vol. 16, No. 3, December 1994, pp. 243-258.

3. See, for example, Nigel Holloway, "Oh Say Can You See?," *Far Eastern Economic Review*, Vol. 158, No. 51, December 21, 1995, p. 23.

4. George Paine and Raphael Cung, "ASEAN Nations look to Trade and Technology to Maintain High Growth," *Business America*, Vol. 115, No. 11, November 1994, pp. 14-17. If Canada (generally overlooked) is factored in, ASEAN trade falls to fourth after Canada, the European Union, and Japan. U.S. Department of Commerce International Trade Administration, *US Global Trade Outlook 1995-2000 Toward the 21st Century*, Washington, DC: U. S. Government Printing Office, 1995, p. 53.

5. ANZUS: Australia, New Zealand, United States.

6. Dr. S. Bilveer, "ASEAN and the New Security framework in the Asia-Pacific Region," *Asian Defence Journal*, December 1991, p. 17.

7. The terms "national resilience" and "regional resilience" are Indonesian in origin. Indonesian strategic thought has played a critical role in the development of ASEAN strategic thinking. A good overview of ASEAN's development is provided in Michael Leifer, *ASEAN and the Security of Southeast Asia*, London: Routledge Press, 1989.

8. See J. N. Mak, *ASEAN Defence Reorientation 1975-1992: The Dynamics of Modernisation and Structural Change*, Canberra Papers on Strategy and Defence No. 103, Canberra, Australia: Australian National University, 1993. Mak provides the most comprehensive discussion of the strategic reorientation in ASEAN available.

9. This last purchase was very controversial and reportedly not desired by the Indonesian military; but, it was pushed through by the Indonesian defense industry and technology guru, B.J. Habibie. A good summary of these acquisitions is provided in

Amitav Acharya, *An Arms Race in Post-Cold War Southeast Asia?: Prospects for Control*, Pacific Strategic Paper No. 8, Singapore: Institute for Southeast Asian Studies, 1994.

10. See, for example, Andrew Mack and Desmond Ball, *The Military Build-Up in the Asia-Pacific Region: Scope, Causes and Implications for Security*, Australian National University Strategic and Defence Studies Centre Working Paper No. 264, Canberra, Australia: Australian National University, October 1992; Acharya, *An Arms Race in Post-Cold War Southeast Asia?: Prospects for Control*, Pacific Strategic Paper No. 8.

11. Paribatra, p. 246.

12. *Kuala Lumpur Voice of Malaysia*, August 1, 1992, in *Foreign Broadcast Information Service, Daily Report -East Asia* (hereafter *FBIS-EAS*)-92-149, August 3, 1992, p. 24.

13. *Jakarta Radio Republik Indonesia Network*, August 11, 1992, in *FBIS-EAS-92-155*, August 11, 1992, p. 26.

14. "Measures to Combat Piracy Set Up with Indonesia," in *FBIS-EAS-92-132*, July 9, 1992, p. 22; *Asia Week*, September 18, 1992, p. 43.

15. Ironically, the same meeting passed the much-discussed Southeast Asian Nuclear Weapon Free Zone (SEANWFZ) Pact, long seen as a key element in efforts to establish a "neutral" Southeast Asia during the Cold War. The United States opposed this agreement since it applies to the signatories' EEZs, as well as their land territory and could, therefore, be used to attempt to restrict freedom of navigation. Its passage primarily reflected concern over China and a desire to have an accomplishment to demonstrate ASEAN solidarity, rather than an effort targeted either at the United States or freedom of navigation. One Indonesian said, "The treaty helps us regain our confidence in terms of our cohesiveness." See Michael Vatikiotis and Rodney Tasker, "Hang on Tight," *Far Eastern Economic Review*, Vol. 159, No. 1, December 28, 1995, and January 4, 1996, p. 17. The treaty's practical implications for regional security affairs are likely to very limited.

16. John McBeth, Michael Vatikiotis, and Jacqueline Rees, "Personal Pact," *Far Eastern Economic Review*, Vol. 159, No. 1, December 28, 1995, and January 4, 1996, p. 18.

17. *Ibid.*, p. 19.

18. Senator Gareth Evans, "Australia's Regional Security," Speech to Parliament by the Minister for Foreign Affairs and Trade, Canberra, Australia, December 6, 1989, p. 4.

19. Michael Vatikiotis, "Advancing Sideways," *Far Eastern Economic Review*, Vol. 158, No. 51, December 21, 1995, p. 60; Vatikiotis and Tasker, "Hang on Tight," pp. 16-17.

20. Vatikiotis, "Advancing Sideways," p. 60.

21. Quoted in Vatikiotis and Tasker, "Hang on Tight," p. 17.

22. Hoang Anh Tuan, "Vietnam's Membership in ASEAN: Economic, Political, and Security Implications," *Contemporary Southeast Asia*, Vol. 16, No. 3, December 1994, p. 261.

23. Quoted in Michael Vatikiotis, "Care to Join Us?," *Far Eastern Economic Review*, Vol. 158, No. 49, December 7, 1995, p. 23.

24. It may be advisable to consider the Republic of Korea (ROK) as a possible relocation site for some of the facilities in Japan. Korea offers the potential for greatly expanded U.S. Navy and U.S. Marine Corps access as the U.S. Army forces on the peninsula are reduced. The Korean Navy is keen to expand ties with the USN and the political dynamics within Korea suggest that expanded access (short of home porting) would be available if the United States wants it. There are some significant advantages to diversifying USN facilities out of Japan, such as moving some to Korea. Such a move would reduce the scale of the presence in Japan, thereby reducing the social pressures that presence creates on land. Furthermore, strengthening the navy-to-navy tie with Korea, while the land forces are being reduced, would help preserve U.S.-ROK ties and hence help stabilize ROK-Japan relations over the next decade and beyond. U.S. planners must consider the desirability of such facilities.

25. On a practical basis, an effort to claim a full suite of maritime zones for all of the South China Sea islands, even if only one state controlled all of the islands, would lead to a large number of overlapping jurisdictional disputes. The relatively narrow circumference of the South China Sea and the wide dispersal of the islands would lead to the island zones overlapping the EEZ and Continental Shelf claims of the littoral states, especially Vietnam, the Philippines, Malaysia, and Brunei. Effectively, there would be no "high seas" within the South China Sea. These difficulties, however, seem unlikely to deter the claimant states.

26. China occupied none of the Spratly Islands before March 1988, when it had a military clash with Vietnam in the Spratlys. The March 1988 confrontation marked a turning point; China occupied its first islands. The other claimants, greatly alarmed, uniformly reinforced the occupation forces of their own islands

and began to consider significant enhancements of their military capabilities to defend against China. Since March 1988, the situation in the Spratlys has increasingly become an armed stand-off. The other states have largely been reactive because they lack the military capabilities to take offensive action in the area. Only China has sufficient power to act offensively. The other claimants necessarily have adopted a defensive posture, garrisoning their islands and waiting.

27. Nayan Chanda, "Treacherous Shoals," *Far Eastern Economic Review*, Vol. 153, No. 32, August 13, 1992, pp. 14, 16.

28. "Xisha and Nansha Islands belong to China," *Beijing Review*, No. 21, May 25, 1979, p. 23.

29. Chang Yung-mei, *Battle for the Hsisha Archipelago* (report in verse), Beijing: Foreign Language Press, 1975, reprinted in Marwyn S. Samuels, *Contest for the South China Sea*, New York: Methuen, 1982, p. vi.

30. For an overview of these claims, see R. Haller Trost, "The Spratly Islands: A Study on the Limitations of International Law," *Occasional Paper No. 14*, Canterbury, Great Britain: University of Kent Centre of South-East Asian Studies, October 1990; J. R. V. Prescott, *Maritime Jurisdiction in Southeast Asia: A Commentary and a Map*, Research Report No. 2, Honolulu, HI: East-West Environment and Policy Institute, January 1981.

31. Quoted in "A Big Step over Little Islands," *Asia Week*, August 2, 1991, p. 21.

32. Quoted in Nayan Chanda, "Treacherous Shoals," p. 14.

33. Ai Hongren, *Zhonggong Haijun Toushi: Maixiang Yuanyangde Tiaozhan* [An Inside Look into the Chinese Communist Navy: - Advancing towards the Blue Water Challenge], trans. in "China: An Inside Look into the Chinese Communist Navy," *Joint Publications Research Service, China* (henceforth *JPRS-CAR*)-90-052, July 16, 1990, p. 23.

34. The passage of a new territorial sea law by China in 1992 caused a furor in Japan and ASEAN due to its treatment of China's claims in the Senkaku Islands (claimed by both Japan and China) and the Spratlys. The PLAN and its allies in the coastal provinces reportedly pushed through the law over the bitter opposition of the Chinese Foreign Ministry which has been working to improve China's regional image. See *The Daily Japan Digest*, Vol. II, No. 37, February 27, 1992, pp. 2-3. PLAN and Foreign Ministry representatives have also consistently taken different positions regarding China's policy in the Spratlys at international conferences. Foreign Ministry representatives

parrot the official line that China is willing to pursue joint development and leave sovereignty questions temporarily in abeyance; PLAN officials maintain that China is only willing to pursue joint development if other states first recognize Chinese sovereignty over the islands.

35. Hongren, *Zhonggong Haijun Toushi: Maixiang Yuanyangde Tiaozhan* [An Inside Look into the Chinese Communist Navy Advancing towards the Blue Water Challenge], p. 12 ff.

36. Raphael Pura, "ASEAN Directs Drive to Extend Security Ties," *Asian Wall Street Journal*, July 26, 1993, p. 8.

37. "ASEAN Proposes Guidelines for the South China Sea," *Asian Wall Street Journal*, July 23, 1992, pp. 1, 7.

38. The line cannot be an archipelagic claim. First, continental states are not allowed under the Law of the Sea to make archipelagic claims. Second, the line does not run along the islands' coasts as an archipelagic baseline must run. The line can be a claim to an area of the ocean, like the Philippines' claim in the South China Sea--but such a claim would also be illegal under LOS, and the Chinese claims in the Spratlys are not presented in this manner. The line could be an island demarcation line, but the line fails to demarcate China's island claims, leaves the Senkakus outside its orbit, and is open ended in several critical areas.

39. Quoted in Nayan Chanda, "Long Shadow," *Far Eastern Economic Review*, Vol. 159, No. 1, December 28, 1995, and January 4, 1996, p. 18.

40. Chi-Kin Lo, *China's Policy Towards Territorial Disputes: The Case of the South China Sea Islands*, London: Routledge, 1989, pp. 42-45.

41. Quoted in Vatikiotis and Tasker, "Hang on Tight," p. 17.

42. There are some indications that at least some elements in China would like to adopt such a strategy. According to one Chinese source,

It is said that Beijing's current attitude towards those countries is to take advantage of mutual conflicts and deal with each case on its merits. As for when and how the recovery [of the islands] is going to take place, Beijing will move in sequence, advancing step by step. Beijing is not going to attack in all directions. Beijing authorities estimate that it probably will take a long time to materialize the noble ambition to recover the entire Nansha Islands [i.e.,

the Spratly Islands].

Hongren, *Zhonggong Haijun Toushi: Maixiang Yuanyangde Tiaozhan* [*An Inside Look into the Chinese Communist Navy: Advancing towards the Blue Water Challenge*], pp. 38-41. The discussion on the Spratlys greatly amplifies this quote and suggests that Chinese Navy strategists have decided that "Vietnam will be the first to bear the brunt" and that the Philippines and Malaysia could possibly be handled via negotiations.

## ABOUT THE AUTHORS

MARC JASON GILBERT is Professor of History at North Georgia State University. A specialist in South and Southeast Asian history who received his doctorate in history from UCLA in 1978, Professor Gilbert has edited or authored numerous books and journal articles on modern South and Southeast Asian history. His research has been supported by the National Endowment for the Humanities and the Association for Asian Studies. He is the editor and chief contributing author of *The Vietnam War: Teaching Approaches and Resources*, Westport, CT: Greenwood Press, 1991; and co-editor with William Head of an anthology of recent scholarship on the decisive event of the Second Indochina War, *The Tet Offensive*, Westport, CT: Praeger, 1996.

PAUL H. B. GODWIN is Professor of International Affairs at the National War College, Washington, DC, where his research focuses on Chinese security policy and defense modernization. He is a graduate of Dartmouth College (1960) and received his M.A. in Asian Studies (1963) and Ph.D. in Political Science (1967) from the University of Minnesota. In the fall of 1987, Professor Godwin was a visiting professor at the Chinese People's Liberation Army National Defense University in Beijing. His most recent publications are "China's Security: An Interpretation of the Next Decade," in David M. Lampton and Alfred D. Wilhelm, Jr., eds., *United States and China Relations at a Crossroads*, Lanham, MD: University Press of America, 1995; and "A New Pacific Community: Adjusting to the Post-Cold War Era," in Howard J. Wiarda, ed., *U.S. Foreign and Strategic Policy in the Post-Cold War Era*, Westport, CT: Greenwood Press, 1996. Other essays have appeared in *Studies in Comparative Communism*, *Contemporary China*, *The China Quarterly*, and *Armed Forces and Society*.

ABRAHAM KIM is a research analyst for the Political-Military Studies Program at the Center for Strategic and International Studies, Washington, DC. He has written extensively on Northeast Asian security, trade, and economic development issues. Mr. Kim is currently working on a book entitled *Rajin-Sonbong Special Economic Zone: North Korea's Panacea, Placebo, or Poison?* He received his M.A. in Asian Studies at Harvard University.

DIANNE L. SMITH, a lieutenant colonel in the U.S. Army, joined the Strategic Studies Institute in August 1995. Prior to that she was Team Chief for Central Asia, National Military Intelligence Collection Center, DIA, where she was responsible for setting up Defense Attache Offices in Central Asia. A Military Intelligence officer and Russian Foreign Area Officer, her previous assignments include U.S. Army Exchange Officer to the United Kingdom Defense Intelligence and Security School, Ashford, Kent, United Kingdom; Chief of Strategic Intelligence Branch, Intelligence Division, Allied Forces Central Europe (AFCENT),

Brunssum, Netherlands; Counterintelligence Officer, Combined Field Army (ROK/US), Uijongbu, Korea; and Assistant Professor of Russian History at the U.S. Military Academy. Her most recent works include "Muscovite Logistics, 1475-1598" and "From Chattanooga to Durham Station, the Influence of Logistics Upon Sherman's Strategy." She holds a B.A. in History and International Relations from the University of Nebraska and an M.A. and Ph.D. in Russian History from the University of California at Davis. She is a graduate of the U.S. Army Command and General Staff College and the U.S. Army War College.

WILLIAM J. TAYLOR, JR., holds a Ph.D. in International Relations from American University and completed post-doctoral studies at the American University of Beirut. A former U.S. Army colonel, elected to the Infantry Officer Candidate Hall of Fame, Dr. Taylor served in tank and rifle battalions in Germany, Korea, and Vietnam. He was a professor and director of national security studies, director of debate, and course director for Middle East studies at the U.S. Military Academy, West Point. He has also taught at the National War College and the School of Foreign Service at Georgetown University. A member of the Council on Foreign Relations and the International Institute for Strategic Studies, Taylor lectures and debates frequently before government, academic, and corporate groups. He has appeared on major television and radio networks worldwide more than 700 times. He is the author, coauthor, or coeditor of 16 books on international security affairs. In addition, his more than 300 articles have appeared in major journals and in such publications as the *New York Times*, *Yomiuri Shimbun*, *Chosun Ilbo*, *The Washington Post*, *The Washington Times*, and *National Review*. He was also the subject of a *Washington Post Sunday Magazine* cover story and a *Washington Times* "Doers in Washington" feature.

ROBERT J. WIRSING is a member of the Department of Government and International Studies at the University of South Carolina. A specialist on the politics and international relations of South Asia, his most recent book is *India, Pakistan, and the Kashmir Dispute: On Regional Conflict and Its Resolution*, New York: St. Martin's Press, 1994.

PERRY L. WOOD earned a B.A. in Political Science from Boston University in 1981 and did his graduate work at the Fletcher School of Law and Diplomacy. Mr. Wood is currently employed by Wood-Mizer Products, Inc., a wood-processing equipment manufacturer based in Indianapolis, Indiana, where he is responsible for marketing in the Asia-Pacific and Africa. He is also a member of the political science faculty at Marian College, where he teaches International Relations, Development, and Southeast Asian History. Mr. Wood worked as a Research Fellow at the Hudson Institute for 10 years, specializing in Asian politics and economics. His Hudson Institute publications include *ASEAN:*

*New Challenges, New Directions*, coauthored with J. W. Wheeler, 1990; *Beyond Recrimination: Perspectives on U.S.-Taiwan Trade Tensions*, coauthored with J. W. Wheeler, 1987; and *Trial After Triumph: East Asia After the Cold War*, chief author, William E. Odom, 1992. One of his articles was published in the collected volume, *Korea Under Roh Tae-woo: Democratisation, Northern Policy and Inter-Korean Relations*, edited by James Cotton, 1993. He also wrote numerous Hudson Institute Research reports and contributed articles on Asian politics and security issues to magazines and newspapers.

U.S. ARMY WAR COLLEGE

Major General Richard A. Chilcoat  
Commandant

\*\*\*\*\*

STRATEGIC STUDIES INSTITUTE

Director  
Colonel Richard H. Witherspoon

Director of Research  
Dr. Earl H. Tilford, Jr.

Editor  
Lieutenant Colonel Dianne L. Smith

Director of Publications and Production  
Ms. Marianne P. Cowling

Secretaries  
Mrs. Devona A. Peck  
Ms. Rita A. Rummel  
Mrs. Kay L. Williams

\*\*\*\*\*

Composition  
Mrs. Mary Jane Semple

Cover Artist  
Mr. James E. Kistler