

Asia: Towards Security Cooperation

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Cover Photo: Crowd attending a meeting in the central square of Hohhot, China in preparation for the 1982 census. UN Photo/John Isaac.

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Foreword

Terje Rød-Larsen

President, International Peace Academy

The International Peace Academy (IPA) is pleased to introduce a new series of Working Papers within the program *Coping with Crisis, Conflict, and Change: The United Nations and Evolving Capacities for Managing Global Crises*, a four-year research and policy-facilitation program designed to generate fresh thinking about global crises and capacities for effective prevention and response.

In this series of Working Papers, IPA has asked leading experts to undertake a mapping exercise, presenting an assessment of critical challenges to human and international security. A first group of papers provides a horizontal perspective, examining the intersection of multiple challenges in specific regions of the world. A second group takes a vertical approach, providing in-depth analysis of global challenges relating to organized violence, poverty, population trends, public health, and climate change, among other topics. The Working Papers have three main objectives: to advance the understanding of these critical challenges and their interlinkages; to assess capacities to cope with these challenges and to draw scenarios for plausible future developments; and to offer a baseline for longer-term research and policy development.

Out of these initial Working Papers, a grave picture already emerges. The Papers make clear that common challenges take different forms in different regions of the world. At the same time, they show that complexity and interconnectedness will be a crucial attribute of crises in the foreseeable future.

First, new challenges are emerging, such as climate change and demographic trends. At least two billion additional inhabitants, and perhaps closer to three billion, will be added to the world over the next five decades, virtually all in the less developed regions, especially among the poorest countries in Africa and Asia. As a result of climate change, the magnitude and frequency of floods may increase in many regions; floods in coastal Bangladesh and India, for example, are expected to affect several million people. The demand for natural resources – notably water – will increase as a result of population growth and economic development; but some areas may have diminished access to clean water.

Second, some challenges are evolving in more dangerous global configurations such as transnational organized crime and terrorism. Illicit and violent organizations are gaining increasing control over territory, markets, and populations around the world. Non-state armed groups complicate peacemaking efforts due to their continued access to global commodity and arms markets. Many countries, even if they are not directly affected, can suffer from the economic impact of a major terrorist attack. States with ineffective and corrupted institutions may prove to be weak links in global arrangements to deal with threats ranging from the avian flu to transnational terrorism.

Finally, as these complex challenges emerge and evolve, ‘old’ problems still persist. While the number of violent conflicts waged around the world has recently declined, inequality – particularly between groups within the same country – is on the rise. When this intergroup inequality aligns with religious, ethnic, racial and language divides, the prospect of tension rises. Meanwhile, at the state level, the number of actual and aspirant nuclear-armed countries is growing, as is their ability to acquire weapons through illicit global trade.

As the international institutions created in the aftermath of World War II enter their seventh decade, their capacity to cope with this complex, rapidly evolving and interconnected security landscape is being sharply tested. The United Nations has made important progress in some of its core functions – ‘keeping the peace,’ providing humanitarian relief, and helping advance human development and security. However, there are

reasons to question whether the broad UN crisis management system for prevention and response is up to the test.

Not only the UN, but also regional and state mechanisms are challenged by this complex landscape and the nature and scale of crises. In the Middle East, for example, interlinked conflicts are complicated by demographic and socioeconomic trends and regional institutions capable of coping with crisis are lacking. In both Latin America and Africa, ‘old’ problems of domestic insecurity arising from weak institutions and incomplete democratization intersect with ‘new’ transnational challenges such as organized crime. Overall, there is reason for concern about net global capacities to cope with these challenges, generating a growing sense of global crisis.

Reading these Working Papers, the first step in a four-year research program, one is left with a sense of urgency about the need for action and change: action where policies and mechanisms have already been identified; change where institutions are deemed inadequate and require innovation. The diversity of challenges suggests that solutions cannot rest in one actor or mechanism alone. For example, greater multilateral engagement can produce a regulatory framework to combat small arms proliferation and misuse, while private actors, including both industry and local communities, will need to play indispensable roles in forging global solutions to public health provision and food security. At the same time, the complexity and intertwined nature of the challenges require solutions at multiple levels. For example, governments will need to confront the realities that demographic change will impose on them in coming years, while international organizations such as the UN have a key role to play in technical assistance and norm-setting in areas as diverse as education, urban planning and environmental control.

That the world is changing is hardly news. What is new is a faster rate of change than ever before and an unprecedented interconnectedness between different domains of human activity – and the crises they can precipitate. This series of Working Papers aims to contribute to understanding these complexities and the responses that are needed from institutions and decision-makers to cope with these crises, challenges and change.



Terje Rød-Larsen

Introduction

Asia has enjoyed a remarkable climate of peace and security in the post-Cold War era. However, there is much that could have gone wrong. Tensions on the Korean peninsula, in the Taiwan Straits, between China and India, India and Pakistan – the hot spots and fault lines of tension are well known and warily watched. Rarely has serious conflict erupted, though. The last major ‘conventional’ conflict in Asia was the 1979 Soviet invasion of Afghanistan, though smaller wars have been fought between states in Kashmir and along the Chinese border with Vietnam. The region is also wracked by protracted internal disputes that generate sustained fears for internal security and destabilized inter-state relations. All the same, for a region that lacks the kind of sophisticated collective security arrangements that have kept the northern hemisphere at peace for the past sixty years, Asia’s security environment is remarkably benign.

However, Asia’s startling economic growth and development over the past three decades have unleashed new competitive forces and are in the process of creating complex problems of international and human security. These problems require more effective coping mechanisms and indicate a need for enhanced multilateral cooperation. Larger Asian powers, principally China and India, but also South Korea and Japan, are moving into positions that will challenge the benign status quo and possibly transform Asia into a cockpit of potential inter-state conflict.

The security debate in Asia is mostly conducted through the prism of American interests. Washington has nurtured a strong array of alliances across Asia that have their origins in the Pacific war, were strengthened and justified by the Cold War, and derive their continued relevance mostly from the rise of China. The United States is seen as a guarantor of Asia’s security; while any other sizable military power not in alliance with the US is seen as a potential threat. Any objective survey of the traditional security challenges in Asia needs to consider these two important factors – the relative stability of the region and the distorting effect of US interests. Of course, policymakers in Washington would argue that the two are related. It is a given in Washington that the United States has underpinned the relative peace that has fueled prosperity in Asia. The presence of US ground forces, a Japan-based carrier battle group and significant

strategic air power in the region, is presented as the basic foundation of “Pax Asiana.” However, this enduring presumption needs to be tested in the light of China’s (so far) peaceful rise and the US-led Global War on Terror, which has generated unease with the way American power is currently wielded in many parts of the region.

China’s rise over the past two decades is often presented as the key changing variable in defining the security challenges in Asia, both in the international context and in terms of basic human security. The prevailing US-driven view is that China’s closed political system, the lack of transparency this engenders, and a history of asserted territorial claims beyond China’s recognized international borders, makes the rise of China a potential security threat to Asia. Nor is it clear what kind of multilateral framework is needed to ensure the continued prevalence of peace and security in Asia in the face of China’s ascendance. China is clearly interested in creating its own network of alliances and agreements. The United Nations is a weak political player in the Asian region, while the United States has become a controversial and polarizing force.

The Rise of China

The big elephant in the room whenever traditional security is discussed in Asia these days is China. China has the world’s third-largest defense budget, after the United States and Russia, ranging from \$70 billion to \$90 billion per year. Although hard to truly estimate what this means because of a lack of transparency, what is clear is that China’s military expansion plans are among the world’s biggest, with more than a decade of double-digit increases in military spending. But does this make China a threat to regional security?

On a purely military level, most analysts believe that it will take some time before China’s military technological prowess and capability matches that of the United States. For instance, an unverified Taiwanese report in 2006 suggested that China’s first aircraft carrier battle group is not expected to be in service until 2008, and will be built around an old converted Ukrainian “Varyag” class carrier based in Hainan island.¹ US experts have cut by half their estimate of Chinese nuclear warheads, from around 400 to 200 – compared to around 10,000 warheads

¹ Xian Qigong, “Chinese Navy’s First Air-craft Carrier Strike Group in Commission within Two Years,” *Dowel Sineu*, May 1, 2006.

stockpiled by the United States.² Where China does pose a significant challenge to the security of Asia is in the effect it's more active foreign policy – and in particular a determined quest for energy and natural resource security – is having on the geopolitics of the region.

Discussion of China's rise and its impact on security is a relatively new subject and the literature is sparse.³ China only launched a forward policy in Asia in the early 1990s. Before 1991, China did not have formal diplomatic ties with Indonesia, Singapore and South Korea. The initial steps were low-key and seemed mostly to establish frameworks for dialogue and cooperation. By the turn of the century, a more determined quest for regional influence and alliance was evident. Drawing on long historical and cultural ties, as well as considerable economic complementarities, Beijing created in a relatively short period of time the semblance of a sphere of influence. To the west, using the Shanghai Cooperation Organization established in 2001, China has secured an institutional alliance with Central Asian states, including Russia and now, Iran. To the south, China has encouraged the formation in 2005 of the East Asian Community that brings together China, South East Asia, Japan, South Korea, India, Australia and New Zealand.

The core of Beijing's strategy has been to use economic incentives to establish strategic relationships embedded in formal agreements. This use of "soft power" has greatly facilitated the growth of China's influence. As David Shambaugh writes, "China is now the exporter of goodwill and consumer durables instead of weapons and revolution."⁴ However, wielding soft power does not mean that "hard" interests are ignored. The Shanghai Cooperation Organization was conceived as a mechanism to reduce tensions along China's borders and now involves member states in military cooperation. The language of security has similarly crept into China's broad agreements with the rest of Asia, most of which specifically bind signatories to promises not to engage in hostilities with China. Invitations to participate in joint military training and exercises have been extended to smaller states like Thailand and Cambodia. In this way China is stealthily creating a

sphere of influence in Asia that ensures access to vital primary resources, and which effectively dilutes the role of the United States. China's acknowledgement of America's role in Asia is tactical rather than strategic; that means coexistence for now, but in the longer term, China would like to see the influence of the United States in Asia marginalized—or at least balanced.⁵

From Washington's perspective, the prospect of a Sino-Russian axis that embraces the Asian landmass is a textbook security nightmare. In reality, of course, China and Russia make uneasy bedfellows. Russia has yet to commit to building an oil pipeline that would take Siberian oil into China. More generally, none of the major players in Asia is ready to curtail their links with the United States or Europe for the sake of building a new bloc. Of more immediate concern – though no less a challenge to security – is access to resources. China appears willing to expend considerable financial as well as political resources to secure natural resources. In December 2005, China invested an estimated \$6.8 billion to take over Kazakhstan's major oil company PetroKazakh. This enabled China to open the 965-mile Kazakh-China oil pipeline connecting China's land frontier with the enormous Kashagan oil field and effectively counter Western efforts to secure rich Caspian Sea oil reserves.⁶

Looking ahead, China will continue weaving a net of multilateral and bilateral agreements that will form the basis of what China sees as a new Asian security order. Currently, the primary motivation is China's quest for natural resources. Up until now Beijing's strategy has not created tangible friction with the United States, for whom security alliances rest on a network of bilateral agreements rather than a single overarching framework. But as China starts to weave a finer mesh using bilateral agreements with individual states, there could well be a clash of interests. Much of Asia will not want to be asked to choose between the US and China. For this reason, it will be necessary to recalibrate Asia's multilateral arrangements to reflect a shift of the geopolitical center of gravity from west to east, and to somehow harness both poles to maintain the security of Asia.

² "US experts cut by half size estimate of China nuclear arsenal," *Agence France Presse*, May 3, 2006.

³ The best and most balanced discussion of China's rise in Asia is David Shambaugh, ed., *Power Shift: China and Asia's New Dynamics* (Berkeley: University of California Press, 2005).

⁴ Shambaugh, ed. *Power Shift: China and Asia's New Dynamics*, p. 24.

⁵ Michael Vatikiotis, "The Architecture of China's Diplomatic Edge," *The Brown Journal of World Affairs* 12, issue 11 (Winter/Spring 2006): 25–37.

⁶ See also Tom de Waal and Anna Matveeva's paper in this series, "Central Asia and the Caucasus: A Vulnerable Crescent," *Coping with Crisis Working Paper Series*, International Peace Academy, New York, February 2007.

China's Human Security Challenge

Just as big a security challenge for Asia is the question of China's internal stability. At some point in the next decade, China's economic boom – with annual GDP growth rates in excess of 10 percent – will hit a road bump and recession will occur. The worry is that recession in China could trigger massive movements of its population. Health services are creaky and food security tenuous in many western parts of the country. Worst-case scenarios project internal unrest and instability, provoking migration across China's borders. Officially, China has around half a million workers registered as overseas. But undocumented worker movements are much higher. Most of those who enter South Korea, Chinese Taipei, or parts of Southeast Asia soon disappear and overstay. The ease of blending into existing ethnic Chinese communities makes this easy. Furthermore, the demographic picture within China is alarming. China's population may be stabilizing at around 1.3 billion, but birth rates are still climbing as a result of China's relatively young age structure – a product of higher fertility and lower mortality in the 1950s and 1960s. China's population is unevenly distributed, which further exacerbates the demographic picture. About 1 billion Chinese live in a little more than 30 percent of China's land area, where the population density is greater than Belgium. The internal trend has been one of people moving off the land and into the cities. China's floating population of rural to urban migrants is thought to number more than 140 million.

China's population is therefore squeezed like a tube of toothpaste into the eastern seaboard cities, where until now high rates of growth and urban employment have been absorbing the overflow. But what if China's economy goes into decline and instability ensues? There will surely be a new wave of Chinese emigration. Where will they go? Almost certainly the majority will be absorbed within Asia where access is increasingly open because free trade and other agreements have eroded boundaries and large Chinese diasporas in the region offer potential support. Elsewhere in the world, traditional destinations for Chinese emigrants in Europe and North America have tightened up entry regulations.

Already increasing numbers of skilled and white collar mainland Chinese workers are showing up in cities like Bangkok, Kuala Lumpur, Singapore and Hong Kong, as well as Taipei and Seoul. Less well documented, but perhaps more striking, is the outflow of Chinese from the southwestern overland borders with Southeast Asia. Large areas of Upper Burma,

Laos, and Cambodia are receiving large and for the most part unrecorded numbers of Chinese immigrants, many of whom are coming to work the land, engage in petty commerce or work in factories.

Even when they are not on the move, China's massive population poses an enormous welfare burden for the government. On a recent visit to China, the author heard from officials and business people alike the view that China's internal social and welfare problems are a key priority for the government, which is clearly worried about domestic stability. The past five years have seen a number of rural protests turn violent. Unemployment, measured officially as 4.3 percent in urban areas, is increasing as more and more people move from rural areas into cities where they find fewer jobs as China's manufacturing moves up the technological chain. Labor costs are rising in coastal areas and some investors are already moving off to Vietnam and other low-cost economies nearby. There is an increasing strain on poorly funded health and social services, creating the sort of conditions that allowed Severe Acute Respiratory Syndrome (SARS) to spread so rapidly and fatally in 2002, or the blood tainting scandal that resulted in tens of thousands of people being infected with HIV in Henan province in the 1990s.

The challenge posed by China's demographic and social welfare problems to Asia's security cannot be underestimated. It speaks to the need for effective regional agreements governing the movement of people and disease control. Here the burden on UN agencies like UNHCR and WHO is already noticeable and, in the future, more resources will need to be devoted to Asia. In the future, as in the past, China could be a more significant source of massive migratory flows and life-threatening pandemics. Either way, the effectiveness of China's government in improving the livelihood of the Chinese people will determine how manageable these problems are.

Will China's Rise Be Peaceful?

Traditional Chinese diplomacy is self-centered, inward looking, and abrasive when it comes to core interests like Taiwan. But as the old generation of leaders, schooled in Cold War era communist ideology and with little exposure to the outside world, is replaced by a new generation, educated overseas and imbued with experience in international organizations like the World Trade Organization, the United Nations and so on, this rather stiff and inflexible attitude will change. China has embraced the World Trade Organization, and more surprisingly, the Human Rights Council.

What is unlikely to change is Chinese nationalism. Pride in China's rise, a sense of its importance in the world and the temptations to wield power should temper any hope that China's new generation of leaders will be more inclined to embrace Western ways.

Zheng Bijian, a noted Chinese theorist who was also former executive vice president of the Party School of the Communist Party, has famously characterized China's rise as "peaceful."⁷ Zheng anticipated, correctly as it turned out, the spread of "China threat theory." The US Congress appeared to be working off the China threat song sheet when it objected to a competitive bid from The China National Offshore Oil Corporation (CNOOC) for the purchase of the US-based Unocal Corp in mid-2005. Subsequently, the defense establishments of Japan and the United States have characterized the expansion of China's military strength as a threat to regional security. The State Department denies that Washington aims to contain China, instead declaring a desire only "to help channel China's growing influence in a positive direction."⁸ The undertones of competition will complicate moves towards building a more Asia-centered multilateral cooperation framework.

China and Japan Spar over History

History is a potent political weapon in Northeast Asia. In the spring of 2005, angry mobs attacked Japanese diplomatic and commercial property in the streets of Beijing, Shanghai, Nanjing and Chengdu. Protestors were angry about a new Japanese history textbook that they alleged played down Japan's wartime atrocities in China. Their anger was fueled by official Chinese rhetoric condemning visits by Japan's (then) Prime Minister Junichiro Koizumi to a Shinto shrine in Tokyo which houses the remains of fourteen class-A war criminals. At the same time, Japan was preparing its bid to become a permanent member of the United Nations Security Council. Adding to the seeds of conflict, a lingering territorial dispute in the East China Sea was inflamed by threats by both sides to explore for oil and gas in the disputed waters. For much of 2005 and 2006, this volatile mix of public emotion, political posturing and competition for resources threatened to drive Asia's two largest powers into a state of Cold War.

Thankfully both sides have refrained from allowing tensions to escalate out of control. With the succession of Shinzo Abe as Prime Minister, China was quick to convene a summit in Beijing. All the same, Abe's nationalist inclinations point to possible future visits to the Yasukuni Shrine and further bilateral saber rattling. In April 2006, Abe was quoted as saying that China and Japan "have nothing in common."⁹ Behind the rhetoric and posturing lies a serious security challenge for Asia revolving around the question of how Japan, for so many decades the most significant economic power in the region, accepts and accommodates the idea that China, which it effectively conquered more than seventy years ago, is emerging as Asia's preeminent power. Similarly China, where many consider that Japan's wartime aggression set back Chinese growth and development half a century, needs to find a way to come to terms with painful memories. In China, strong state control can manipulate public opinion. So perhaps the more serious problem lies in Japan, where the rise of China coincides with the emergence of a new generation of conservative nationalists who will not be constrained by memories of the Pacific War and would like to see Japan's military prowess restored.

Key to preventing this tension from worsening, at least for now, is the United States. The problem is that the US is inclined to side with Japan against China, not just as a treaty ally, but also because Washington wants to check the rise of China. In the longer term, this lopsided power triangle could have profound consequences for security. US backing for Japan will accelerate Japan's military expansions and possibly the open acquisition of nuclear weapons. Without an effective multilateral framework in Northeast Asia, a nationalist-leaning Japanese government might resort to aggressive economic and diplomatic policies. This could extend to breaking a longstanding Japanese policy of not interfering in Taiwan, where Japan was once the colonial power. China, for its part, will continue to block Japan's bid for a seat on the United Nations Security Council and start to more aggressively counter Japanese influence on the ground in the region.

Ultimately, this train of events could start to upset the balance of power and force the United States to mediate between the two countries to forestall the

⁷ Zheng Bijian, *China's Peaceful Rise: Speeches of Zheng Bijian 1997-2005* (Washington, DC: Brookings Institution Press, 2005).

⁸ Thomas J. Christensen, Deputy Assistant Secretary of State of East Asian and Pacific Affairs. "China's Role in the World: Is China a Responsible Stakeholder?" Remarks before the US China Economic and Security Review Commission, Washington DC, August 3, 2006.

⁹ Robert Marquand, "Gulf Widens between Japan, China," *Christian Science Monitor*, April 11, 2006.

outbreak of conflict. A better way to manage the problem is for Japan and China to cooperate more closely on building a new regional architecture for economic and financial integration. China and Japan – together with South Korea – have already started thinking along these lines. Over the past two years, under the umbrella of the Asian Development Bank, finance ministers from all three countries have discussed the dynamics of closer financial integration and made tentative steps towards developing a common currency.¹⁰ In the final analysis it could turn out that a collective Asian effort to reduce dependency on the US economy is the best recipe for stable regional security.

Nuclear Brinkmanship on the Korean Peninsula

With the explosion of a nuclear device in October 2006, North Korea became a more likely flashpoint for armed international intervention. Hard-line conservatives in Washington have long supported a military strike to take out North Korea's nuclear facilities at Yongbyon. In response to such rhetoric, North Korea decided in December 2002 to restart nuclear installations at Yongbyon that were shut down under the US-North Korean Agreed Framework of 1994 and announced withdrawal from the Nuclear Non-Proliferation Treaty. North Korea's motive was apparently to escalate pressure on Washington to reach a deal providing, among other things, a non-aggression pact and eventually, it was hoped, recognition.

North Korea's nuclear capability has created an acute policy dilemma for the United States, which already has its hands full in the Middle East.¹¹ On the one hand, Pyongyang's nuclear test is a provocation that demands a firm response based on the twin Bush doctrines of non-proliferation of weapons of mass destruction and military preemption. On the other hand, Washington's key military ally, South Korea, appears to be firmly against any military action. Although still technically at war with the North, there are strong emotional bonds of kinship and nationalism between the two countries that make peaceful unification an official goal. As a result, Washington has been forced to support a diplomatic track that brings together six parties – China, South Korea, Japan, Russia, the United States, and North Korea.

The talks have made little headway. In a September 2005 joint statement North Korea agreed

in principle to abandon its nuclear program in return for security assurances and economic assistance. But the statement was short on the specifics of how this might be implemented. Although given an opportunity here to lead on a regional strategic issue, China has offered only lackluster leadership, while Washington has been reluctant to be drawn into any deal that offers North Korea a diplomatic way out. The result has been, until now, a convenient stalemate that relieved the pressure on the US to consider a military solution, and gave Seoul cover to continue engaging with Pyongyang. The widespread fear after the nuclear test was that Washington could be goaded into preemptive military action similar to that in Iraq.

Much to the frustration of hawkish conservatives in Washington and Tokyo, the Bush administration's hands were still tied and a resumption of six party talks ensued. With the US-South Korean relationship under serious strain, neither an effective sanctions option, nor limited military action is likely – at least not until a more conservative government wins power in Seoul.

All the same, North Korea's nuclear brinkmanship has brought the Korean peninsula to the front and center of the Asian security map. An attack on North Korea could well result in a collapse of the regime in Pyongyang. Millions of refugees will pour across the borders with China and southwards into South Korea. The cost of relief and rebuilding the North's shattered economy will be enormous, requiring a global effort and almost certainly imposing a huge burden on the United Nations. A longer period of attrition could spark an arms race transforming South Korea and Japan, both harboring mutual enmity, into nuclear powers. In Washington, Pyongyang's intransigence has reinforced the logic of taking a hard line on proliferation and supporting preemption. Closer to home, the nuclear test could strengthen Japan's neo-conservative nationalists and speed up the pace of military expansion. All this creates a more negative scenario for security in Northeast Asia, but does not necessarily mean there will be another war on the Korean peninsula, given South Korea's position on the issue.

A more sensible approach to the security challenge posed by North Korea would be to return to the engagement policies of the 1990s and continue the protracted process of equalization. That is the only way, as many Koreans see it, to persuade the Northern regime to come out of the cold. Here is perhaps an

¹⁰ Anand Giriharadas, "Asian Finance Ministers Seek Common Currency, Hyderabad," *New York Times*, May 5, 2006.

¹¹ See further Markus Bouillon, "The Middle East: Fragility and Crisis," *Coping with Crisis Working Paper Series*, International Peace Academy, New York, February 2007.

acute example of where security, as seen through the lens of US interests, clashes with a regional perspective. The North Korean nuclear issue will be one of the first serious tests for incoming UN Secretary-General Ban Ki-moon. Working against the protracted peaceful reunification scenario favored by Seoul is the possibility that the United States, in the last two years of the Bush administration, will extend its preemption scenario to other elements of the “axis of evil.” Washington has already drawn out tenuous but plausible links between North Korea and Iran, pointing out that Teheran’s *Shahab 3* missile is based on a North Korean design, and US government officials have alleged that Iranian representatives were on hand to witness the North Korean missile tests of early July 2006.¹² However, given the strong feelings that Koreans have about the North, as well as China’s own aversion to any precipitate action, it would be wrong to assume that as Secretary-General Ban Ki-moon will easily give in to US pressure for action of a military nature.

Tension in the Taiwan Strait

In recent years, fears of a Chinese invasion of Taiwan have grown. Primarily, this was the product of Taiwan’s more open and democratic government, which has allowed pro-independence sentiment to flourish. Democracy in Taiwan was always going to be a problem for China because somewhere between a third and a half of the population supports formal independence from the mainland. This explains why China lobbed missiles into the narrow Taiwan Strait ahead of the island’s first direct presidential elections in early 1996. In response, Washington sent a flotilla of forty warships to the area.

Ever since coming close to blows in 1996, Beijing and Washington have struggled to maintain an awkward status quo under which Taiwan seeks greater international recognition but falls short of declaring independence, a move one senior US official said would effectively mean war with China.¹³ For China, Taiwan’s eventual unification with the mainland is an article of faith. Independence is an emotional red line which, if crossed, would almost certainly provoke an attack on Taiwan. For Taiwan, the perspective has become much more complicated as more and more Taiwanese companies and much of the island’s

economy has become inextricably linked to the mainland. Taiwanese companies are estimated to have invested \$100 billion in the mainland economy. All the same, the government of President Chen Shui-bian has effectively stoked pro-independence sentiment, supported behind the scenes by former President Lee Teng-hui. The effect has been to slow down, and even bring to a halt, a series of formal measures agreed by both sides to develop more substantive links across the strait.

At the same time, China has started to play a more subtle game. Rather than threaten more missile tests, Beijing has used soft power, offering business incentives and making the half million or so Taiwanese investors in the Shanghai area feel at home. There have been visits to Beijing by prominent Kuomintang leaders from Taiwan and even a panda visit.

More strikingly, perhaps, Washington has hardened its attitude towards Taiwan. The Bush administration signaled to President Chen Shui-bian that it will not support any move towards independence – implying a reluctance to use military force in defense of Taiwan. To address this vulnerability Taiwan may now be developing a medium-range missile of its own to use in retaliation against a missile strike from China. Of course there remains a considerable reservoir of support for Taiwan in the US Congress and conservative policy-making circles. But neither the Pentagon nor the White House has much appetite for war with China.

The current status quo makes it unlikely that Taiwan will become a flashpoint for conflict in Asia. As in the case of North Korea, strongly-held positions rooted in pride and dignity make the success of institutional frameworks for resolution remote in the short term. Should the Kuomintang (KMT) make an electoral comeback in Taiwan, a strong possibility, there may well be more active moves towards strengthening ties between Taiwan and the mainland. Former KMT leader Lien Chan visited China in 2005 and was fêted by officials in Beijing. Washington welcomed the trip as a positive development. The thinking behind the scenes is that the only viable scenario is one that involves a gradual unification based on economic integration and practical autonomy, a long drawn out process of equalization so that in the end, neither side can claim a victory.

¹² Reuters, “US Says Iranians witnessed N. Korean Missile tests,” Washington DC, July 21, 2006.

¹³ Robert B. Zoellick, “US-China Relations,” Speech by Deputy Secretary of State to the Committee on International Relations U.S. House of Representatives, May 10, 2006.

Shining India, Nuclear Pakistan, and the Stability of South Asia

The first decade of the 21st century has seen India emerge as a major player in the global economy. But unlike the rise of China, which has benefited from relative peace and the absence of conflict, India's rise is dogged by the persistence of conflict within and alongside its borders. Considering the unresolved state of conflict between India and Pakistan, the confrontation in Kashmir which both countries claim, and the fact that both sides possess nuclear weapons outside any non-proliferation or test ban regime, South Asia could be regarded as the biggest challenge to Asian security in terms of the risk of open conflict. It is also the region least served by effective multilateral institutions for coping with crisis.

The most volatile flashpoint is disputed Kashmir. Here, one of the oldest territorial disputes in the modern world simmers without any sign of a compromise or settlement. Hostilities last erupted in a major way in 1999 when India and Pakistan fought skirmishes in the high passes of the Kargil region. India claimed victory. There followed a round of talks brokered by the United States, culminating in a summit between the two leaders of India and Pakistan.

The change of geopolitical climate in the Muslim world after the terrorist attacks of September 2001 helped reignite an Islamic insurgency in Kashmir. Following attacks in late 2001 on the Kashmir state legislature in Srinagar and a daring attack on India's national parliament, which were blamed on Kashmiri Islamic militants, India mobilized and moved thousands of soldiers to the border with Pakistan, including the Line of Control in Kashmir, highlighting the danger of conventional and nuclear war. India continues to harbor a deep suspicion that Pakistan is sponsoring terrorist attacks in India – most recently reinforced, but not proved, by the devastating train blasts in Mumbai in July 2006 which killed more than 200 people. Hard as it is to sometimes fathom how Pakistan's President Pervez Musharraf can juggle tolerance of Islamic militants with close ties to Washington, the conventional explanation is that he represents a struggling minority in an army-led political establishment that is increasingly dominated

by Islamic hard-liners. The balancing act preserves his moderating power at the expense of allowing space for groups like *Jaish-e-Muhammad*, *Lashkar-e-Tayyiba* and *Harakat-ul-Mujahiddin*. Influential conservatives and hardliners in the military hierarchy sustain policies that have fuelled militant action in Kashmir and used tacit support for the Taliban in Afghanistan as a way of thwarting India's influence in neighboring Afghanistan.

The war against terror on the sub-continent greatly complicates genuine efforts to find a lasting settlement between Pakistan and India. The two sides have shown great restraint in recent years, especially as Musharraf, who was born in Delhi, is more inclined towards summit diplomacy than military action. The larger question is what effect the terrorist problem has on the altogether larger issue of nuclear weapons proliferation. Neither India nor Pakistan is a signatory of any non-proliferation agreements or test ban treaties. India wants the world to accept that as a democracy it will not use its bomb first – what former Minister of Defense Pranab Mukherjee termed “a nuclear doctrine of credible military deterrence.”¹⁴ Pakistan's military-led government argues that its “strategic capabilities have been developed in self-defense” and that a strong military chain of command has effective control over its bomb.¹⁵ No one is particularly convinced given the sustained, emotional, and deep animosity between the two countries.

A major shortcoming throughout this region is the weakness of institutional frameworks in which to regulate inter-state disputes. The security challenge in South Asia, centered on the deep India-Pakistan divide, speaks to the need for better multilateral security arrangements in the region. Currently there are several structural impediments. Firstly, India and Pakistan are both nuclear powers that sit outside any formal treaty agreements on proliferation. Secondly, the architecture of regional cooperation is weak. The South Asian Association for Regional Cooperation (SAARC) is dominated by an overbearing India, which, unlike Indonesia in the ASEAN context, finds it hard to treat its regional neighbors as equals. Finally, with China's rise, India has been able to establish a closer strategic relationship with the United States, which seeks to counter China's geopolitical influence in Asia. Doing so has forced smaller states like

¹⁴ Pranab Mukherjee, Speech by Indian Defense Minister at the 5th IISS Shangri-la Dialogue, Singapore, June 4, 2006, available at: www.iiss.org/conferences/the-shangri-la-dialogue/2006-plenary-session-speeches/second-plenary-session--pranab-mukherjee.

¹⁵ Gen. Ehsan Ul Haq, Chairman of Joint Chiefs of Staff Committee, Pakistan, Speech given at the 5th IISS Shangri La Dialogue, Singapore June 4, 2006, available at: www.iiss.org/conferences/the-shangri-la-dialogue/2006-plenary-session-speeches/fourth-plenary-session--general-ehsan-ul-haq.

Bangladesh, Nepal and Pakistan to strengthen ties with China and has introduced an element of great power competition into the sub-continent.

Ring of Fire: Internal Conflict in Afghanistan, Pakistan, Sri Lanka, and Nepal

Internal conflict remains a major concern in South Asia and helps explain a great deal of the instability of inter-state relations. The prospect of an enduring settlement to the long-running Maoist insurgency in Nepal, quietly assisted by the United Nations, should not obscure the failure to resolve the longer-running Kashmir dispute. The breakdown of a ceasefire in Sri Lanka has reignited a ferocious civil war which has seen 3,000 deaths in the first ten months of 2006. Within India, the Marxist Naxalite movement continues to rage. Operating in just four states a decade ago, the Naxalites are active in half of India's 28 states today, claiming to run parallel "people's governments" in more than 160 districts. In 2006, fighting between rebel and government forces in India claimed more than 500 lives. In Pakistan there are new flare-ups of revolt in Baluchistan, where tribal people bordering Iran have been demanding a greater share of gas royalties. Violence has gripped Baluchistan and threatened the stability of national authority following the death of the anti-government Bugti tribal leader Nawab Akbar Bugti in a military operation in late August 2006. Although largely obscured from the world by the perception of a strong army in control, Pakistan is actually a seething cauldron of ethnic and sectarian conflict between tribes and between one of the world's larger Shiite communities and the Sunni majority, at whose hands the Shiite community suffers considerably.

Meanwhile, despite more than five years of military pacification under US supervision, Afghanistan is descending into another era of turmoil as the Western-backed government of Hamid Karzai appears powerless against a resurgence of Taliban power in the southern Pashtun belt bordering on Pakistan. Arguably, the swift pacification of Afghanistan after the subjugation of the Taliban in 2001 was a mirage as the country continues to be governed in reality by warlords who put their own narrow interests before that of a unified country. As 2006 drew to a close, levels of violence were increasing dramatically.

The roots of these conflicts are age-old, and yet attempts to resolve them remain in their infancy, often managed by outside mediators instead of becoming the focus of regional efforts at peacemaking. In Sri Lanka, a mediation effort spearheaded by Norway receives tacit support from India, but there is not enough power behind the peace process to persuade the two sides to lay down arms. After its disastrous military intervention in the 1980s, and the assassination of Prime Minister Rajiv Gandhi at the hands of a Tamil suicide bomber, India is understandably wary of getting too closely involved. But as in the case of Nepal until just recently, India's curious distance from internal disputes in the sub-continent makes it harder to harness enough political power to resolve them.¹⁶ Now that India has signaled support for the United Nations to support a peace process in Nepal, the hope is that this pattern of neglect is set to change. But so long as India and China are wedded to keeping the United Nations at arms length because of the unresolved issues in Kashmir and Tibet, it seems unlikely that scope for the role of international organizations will grow.

Southeast Asia, Slow Democratic Transition, Islamic Radicalism, and the Global War on Terror

The Asian Financial Crisis alerted the world to structural deficiencies in the way that Southeast Asian nations were governed, as well as the challenge of income inequality in the region. And yet the speed with which the region recovered its economic footing offered evidence of a heartening resilience and fundamental stability. Recent political events in Thailand and the Philippines would suggest that political stability cannot be taken for granted. Both countries continue to wrestle with unruly and corrupt political elites and a failure to institutionalize a reliable form of democracy. Yet even as President Gloria Macapagal Arroyo in the Philippines faced repeated attempts to overthrow her government, and as Thailand's military seized power in a coup, there was very little real threat of broad social upheaval and unrest. These are essentially elite struggles that rarely impinge on national stability, even if they attract a good deal of attention in the media.

¹⁶ On the role of third parties in mediation in Asia and beyond see in this series Chester Crocker, "Peacemaking and Mediation: Dynamics of a Changing Field," *Coping with Crisis Working Paper Series*, International Peace Academy, New York, March 2007.

More threatening to security in the region has been fallout from the global war on terror. Shortly after the September 2001 terrorist attacks on New York and Washington, it emerged that some of the Arabs who were recruited to fly airliners into targets like the White House and the Pentagon had spent time in Southeast Asia. Further investigations turned up links to homegrown radical Islamic groups in the region. Pretty soon it was revealed that these groups planned similar attacks against Western targets in places like Singapore and Jakarta. By late 2001, the global “war on terror” had acquired an Asian front and Southeast Asia was once again in the eye of a crisis.

Many of these Islamic militants in Southeast Asia drew on a common experience fighting the Soviet army as volunteer *Mujahideen* in Afghanistan, backed and funded by the West.¹⁷ The front line in those days was the dusty northwest frontier tribal area of Pakistan. Students educated in the area at *madrassas*, or religious schools, returned to their homes in Indonesia, Malaysia and the Philippines to find a society in flux and learn that prosperity fueled by the economic boom of the 1980s and 1990s had benefited only a few. The students returned imbued with idealistic Islamic teaching and the inequalities they confronted were stark and oppressive. The end of the Cold War undermined the lure of socialist teaching, and so religion became the replacement salvation ideology. As a consequence, for much of the 1990s, militant sentiment quietly brewed. Among the ingredients contributing to its potency were economic recession, the breakdown of the Middle East peace process and the second Palestinian *intifada*, as well as the aftermath of the first Gulf War. Although Islamic radicalism was considered a political challenge in Muslim majority nations like Indonesia and Malaysia, no one saw the radicals attracting mainstream support. But while no one was watching, they turned to the path of violence instead.

Singapore led the way with the uncovering of an alleged Islamic radical terrorist cell plotting to target Western installations in the small island republic. In Indonesia a group called *Jemaah Islamiyya* (JI) was said to have links to al-Qaeda. Its membership drew on the teaching of a radical cleric who taught at a *madrassa* on the outskirts of Solo in central Java. The JI mastermind Hanbali and his deadly band of apprentices were dispersed across the region, using training facilities in

Mindanao, taking refuge in Thailand, and recruiting in Singapore, Malaysia and Indonesia. Even as the United States military machine swung into action against the Taliban and al-Qaeda in Afghanistan, Deputy Defense Secretary Paul Wolfowitz declared in late 2001 that the US would be “going after al-Qaeda in Indonesia” as the next target after Afghanistan.

For Southeast Asian governments, the opening of a front in the war on terror in their backyard was a nightmare. It brought the specter of foreign military forces on their soil, an erosion of business confidence, and political upheaval. Not since the Vietnam War had there been so much collective insecurity. Just as three decades earlier during the era of Communist expansion in the region, Washington made it clear that broad material aspects of bilateral relations were contingent on support for the war on terror. But instead of waiting for US forces to come in, the challenge was met by tackling the problem head on and avoiding foreign military intervention. With help from Western intelligence agencies and slow, painstaking work on the ground, arrests started to be made and key leaders were tracked down and detained—sadly, not before more than 200 people, including many Australian tourists, were killed in a bombing on the island of Bali in 2002. The Bali bombing, and subsequent attacks on hotels and an embassy in Jakarta, made the terrorist threat the region’s primary security concern.

Hunting down the terrorists has been a delicate operation, fraught with political danger. Not every Muslim organization or Islamic political group is a terrorist cell. Much of Muslim society in the region harbors antipathy towards the United States and support for the global war on terror could carry a political cost at the ballot box. But by and large the operation has been deftly carried out – terrorists have been arrested and terror cells neutralized in Thailand, Indonesia and Malaysia as well as Singapore and the Philippines without the kind of heavy-handed military operations that the US and its allies have deployed in Afghanistan and the Middle East. Drawing on a rich experience in counter-insurgency, governments of the region have tended to rely on covert police and paramilitary operations; stability for the most part has been unaffected.

Following classical counter insurgency methods, the most effective way to curb the rise of dangerous

¹⁷ For a good history of the Islamic jihad movement that developed in Afghanistan, Pakistan, and Central Asia, see M.J. Akbar, *The Shade of Swords: Jihad and Conflict between Islam and Christianity* (London: Routledge, 2002). See also Ahmed Rashid’s timely book on the rise of Militant Islam in Central Asia, *Jihad: The Rise of Militant Islam in Central Asia* (New Haven: Yale University Press, 2002).

Islamic militancy will depend on long-term political strategy rather than security tactics. Catching terrorists is turning out in any case, to be hard. A better long term strategy would be to attack the criminal and underworld networks and the polarized politics that sustain them. In Central Asia, as Ahmed Rashid points out, radical Islamic groups are funded by the trade in illicit drugs, mainly heroin. Attacking the criminal networks and the totalitarian regimes that support them would be an effective way of starving the militants of funds and support. On the political front, the global “war on terror” has created a deep fissure in relations between the Muslim and non-Muslim world which has greatly affected Asia, home to the largest number of Muslims in the world. Those actually engaged in committing violence are very small in number; yet a far larger number of people are now affected by the resulting political and civilizational divide.

This could play out in a number of ways that start to affect the strategic balance of power in Asia. In Indonesia, for example, public anger with the United States is helping mainstream Islamic parties like the Prosperous Justice Party (PKS) attract support. No one would pretend that a distant superpower’s entanglement with the Middle East is a rice bowl issue, but in a new democracy like Indonesia’s, politicians are ready to exploit anything to boost their popularity. There seems little doubt that conservative Islamic political parties have gained ground in the past five years – more than would have been expected without the polarizing effects of the global war on terror. The stronger political influence of these Islamic forces could start to make it hard for a future government that relies on the backing of Muslim parties to support a US military presence in the region.

Lingering Internal Conflicts

Meanwhile, a number of internal conflicts continue to rage in Southeast Asia, mostly in marginal and border regions – from Aceh and Papua in Indonesia, to Mindanao in the Philippines, to the three southernmost provinces of Thailand, and of course Myanmar, where more than a dozen ethnic groups contest Yangon’s rule.

Most of these conflicts pit weak but determined ethnic nationalist forces against central governments in a battle for autonomy or independence. Where

Muslim communities are concerned they are not, despite assertions by many observers, motivated by larger goals of Islamic *jihad* even if there have been attempts to mobilize such sentiment. All the same, attempts to resolve these conflicts have acquired a new urgency in the wake of the global terrorist threat. Heightened security fears have made it imperative for governments of the region to make conflict resolution a policy priority. Fortunately there are signs that this is happening in some of the worst affected countries.

The signing in mid-August 2005 of a Memorandum of Understanding between the Government of Indonesia and the Free Aceh Movement (Gerakan Aceh Merdeka) offered the promise of a solution to the region’s most protracted internal conflict, one that claimed as many as 15,000 lives since its latest outbreak in 1976. The government of President Susilo Bambang Yudhoyono has also signaled its intention to implement special autonomy arrangements for the restive province of Papua, where in mid August 2005, by some reports, as many as 10,000 people took to the streets of the provincial capital of Jayapura demanding a revision of the government’s proposed Papuan Assembly.

In the Philippines and Thailand, there has been less progress. A ten year old peace agreement with the Moro National Liberation Front in Mindanao is fraying at the edges while only slow progress has been made with Malaysian help on a new agreement with the break away Moro Islamic Liberation Front. The failure of the Philippine government to resolve the long running confrontation with the Moro people of Mindanao has provided opportunities for international terrorists possibly linked to the militant al-Qaeda organization to find refuge, as well as a source of recruits and training for the execution of terrorist acts in the region and beyond.¹⁹ In mainly Malay and Muslim southern Thailand, where an upsurge of separatist violence has claimed almost 2,000 lives since the beginning of 2004, policy blunders, hard line security tactics and a constant change of personnel have made it easy for shadowy insurgent groups to win popular support and evade detection. The new Thai government is divided on the question of dialogue with the insurgents and is sensitive to outside interference. In Myanmar there are signs that, despite the international focus on democratic reform, the military regime has made the reinforcement of more

¹⁸ Rashid, *Jihad*, p. 229. See also, in this series, James Cockayne, “Transnational Organized Crime: Multilateral Responses to a Rising Threat”, *Coping with Crisis Working Paper Series*, International Peace Academy, New York, March 2007; and de Waal and Matveeva, “Central Asia and the Caucasus: A Vulnerable Crescent.”

¹⁹ See for example International Crisis Group, *Southern Philippines Backgrounder: Terrorism and the Peace Process*, Asia Report No. 80, July 13, 2004.

than a dozen ceasefire agreements with ethnic nationalist groups a policy priority.

The key to resolving these conflicts and banishing guerrilla warfare and insurgency from the region is an effective embrace of peaceful mediation, conflict resolution techniques and a willingness on the part of governments to make political concessions to communities that desire a greater say in their own government.²⁰ The trouble is that youthful national identity in Southeast Asia, for the most part, makes discussions of autonomy sensitive. The Aceh peace process has shown that insurgents can be engaged without the loss of sovereignty, but there is a deep cautiousness towards mediation in the region because it is associated with foreign intervention. The role of the United Nations is weak in this area because of strong regional feelings about sovereignty, which the recent experience of East Timor has, if anything, reinforced. ASEAN itself could play a bigger role in fostering good offices and institutionalized mediation, but there is still no consensus on a stronger role for the ASEAN secretariat.

Natural Disasters, Public Health and the Environment: Collective Action Problems

The December 2004 Tsunami that killed more than 270,000 people across the coastlines of Sumatra, Thailand, Southern India and the Maldives brought home to the region its vulnerability to natural disaster and the fragility of the coastal environment. Yet a bigger fear in the region was that man-made, rather than natural, disasters would be the real killer. According to United Nations estimates the number of people at risk of dying from a global pandemic of highly pathogenic avian influenza is between 5 and 150 million. The loss of GDP from such a pandemic, for which there is as yet no guaranteed vaccine, is conservatively estimated at \$200 billion in a single quarter.²¹ China and Vietnam have shown some ability to control the spread of avian flu, but Indonesia, where some 50 people died of the disease in the space of a year, has not. The worry is that avian flu will develop the genetic ability to spread lethally among humans in Indonesia's crowded and unhygienic poorer communities where humans cohabit with domestic

fowl.

The key challenge is for governments in places like China and Indonesia to muster the resources for effective government intervention and also to exercise effective control over the business community – which is not always evident when the market requires capitalist *laissez faire* and corruption is rampant. How is it, for example that an Indonesian mining company linked to the family of a senior cabinet minister could drill for gas without lining the well, precipitating an uncontrollable mudflow that has displaced more than 10,000 people in densely populated East Java? Every year over much of Sumatra, fires used to clear forested land generate a debilitating haze that reduces visibility and creates a health hazard in neighboring Malaysia and Singapore.

It is not that laws are not being enacted or surveillance is not good enough to prevent abuse of the environment or identify the perpetrators. The problem is that so long as the private sector can cut corners on safety and pay off official inspectors, there will be the risk of man-made catastrophes adding to the already dangerous state of environmental decay in large urban areas of, for example, China, and vast tracts of tropical forest in Indonesia, Malaysia, and the Philippines. Law enforcement is weak and in many cases the culprit companies keep their assets offshore so they cannot be effectively penalized. The key to solving the problem is better collective action. The tendency today is for neighboring countries affected, for example, by smoke haze from Indonesia, to sit back and expect the government in Jakarta to fix the problem. However, in reality, all the countries of ASEAN have to act, so that companies with assets in neighboring countries will be penalized, or environmental damage control resources can be pooled. To do this ASEAN needs a code of conduct and rules that apply to everyone. As one of the most populous regions of the world, as well as the most biologically diverse, the global risk of an environmental disaster is highest in Asia. Yet institutional structures for collective action at a regional level are among the weakest in the world.

Multilateral Cooperation

Although Asia has been remarkably stable given the lack of an overarching multilateral framework for security, the persistence of traditional patterns of

²⁰ Michael Vatikiotis, "Resolving Internal Conflicts in Southeast Asia: Domestic Challenges and Regional Perspectives," *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* 28, no. 1 (April 2006): 27–47.

²¹ United Nations, *Economic and Social Survey of Asia and the Pacific 2006*, United Nations Economic and Social Commission for Asia and the Pacific, UN Doc. ST/ESCAP/2312, p. vii.

conflict in a new geopolitical context begs the question whether such a framework is now necessary to assure continued peace and prosperity.

The changing balance of geopolitical power suggests this is the case. For the past sixty years the United States has guaranteed security in Asia, but today the power of the United States is being challenged both by the modern complexity of security issues and the new rise of old Asian powers like China and India. Arguably, Asia has to start building a new framework for collective action that relies less on the West, even if continued close links with it are necessary. The devil in all this will be the degree to which Asia's new big powers are prepared to cooperate rather than compete, and also how well the United States recalibrates its own role in the region, trading preeminence for shared responsibility. Facing these challenges, Asian leadership of the United Nations may offer both opportunities and obstacles.

The only attempt to create a pan-Asian security body started with a Japanese initiative in 1994. The ASEAN Regional Forum (ARF) was conceived as a confidence building process, not a formal institution. The objective was to bring together defense and security officials from across Asia, sit them in a room and allow issues to be discussed in an informal manner. Critics call it a "talk shop." Yet talking helped smaller countries in Southeast Asia tackle China on its claims in the South China Sea; talking promoted a dialogue of sorts with North Korea; and talking has made sure that all the major stakeholders manage to meet at least once a year. The ARF has not, however, proved a forging ground for agreement or the settling of disputes. Nor does it address complex issues challenging human security. The deliberate nesting of the ARF within ASEAN – an ASEAN country always chairs the sessions – helps prevent major powers from hijacking the forum. But at the same time this weakens its convening power. All the same, in the words of one experienced regional expert the ARF has "helped to build comfort levels and created an atmosphere conducive to cooperative security in a region that is not used to cooperation on security-related questions."²²

Since the mid-1990s there has been a proliferation of multilateral forums, most of which are based on more benign aspects of economic cooperation, but with non-traditional security issues acting as a stalking horse for the real thing. The Asia Pacific Economic

Cooperation (APEC) process created a political interface with the United States, Canada, Australia, New Zealand and others at the leadership level. Members use trade as an excuse, though in reality the annual leader's summits are purely political affairs and in recent years security has always been on the agenda. For much of the 1990s, the US and, to a lesser extent Europe, frowned on the creation of an effective pan-Asian caucus, one the western powers feared would exclude them. To soften the blow, the Asians used the cover of an inaugural Asia-Europe summit in 1996 to convene the first leaders meeting of all East Asian countries in 1996. The resulting "ASEAN plus three" caucus, which includes China, Japan, and South Korea has now become the established framework for East Asian dialogue at the leadership level. China's bid to broaden this exclusive Asian forum with the East Asian Cooperation summit in 2004 was effectively scuttled after India, Australia, and New Zealand gained entry with help from Washington.

For all this multilateral activity, there is no real consensus on a collective security mechanism for the region. Transparency remains a distant goal for most states in terms of sharing information on security issues; most Asian states are prickly on sovereignty issues and non-interference is a bedrock principle standing in the way of collective security architecture. The December 2004 Tsunami in the Indian Ocean demonstrated that countries could help each other using military forces in a humanitarian role, but little progress has been made on institutionalizing common security beyond a vague concept for an ASEAN security community tabled by Indonesia. Perhaps the major reason for this reluctance to amalgamate is that much of Asia fears being squeezed by the region's emerging new powers, China and India. Better then to steer shy of formal Asian unity and try instead to balance the emerging forces, which is the reason why sub-regional associations like ASEAN are so successful – and also why external powers like the United States are still welcomed as external balancers.

If Asia is reluctant to commit to its own institutional structure for security cooperation, why not turn to the United Nations? Or why not simply stay with *Pax Americana*?

In the short term at least, the United States is a problematic, rather than constructive ingredient, in the security mix. In *The Case for Goliath*, Michael Mandelbaum argues that the United States has

²² Barry Desker, "Is the ARF Obsolete? Three Steps to Avoid Irrelevance," *Pac Net*, 37A (CSIS-Hawaii) July 27, 2006.

assumed broad global security responsibilities in the absence of any other functioning world government.²³ Yet one of the more serious challenges to security in Asia is the growing unease with the way America conducts itself as a global power. The United States is currently reluctant to use its considerable economic and political power to defuse tension and resolve conflict. While the North Korean security situation was contained in the Clinton era by offers of a deal on nuclear power and trade, the Bush administration has refused to be drawn into offering any incentives. Consequently, the initiative to dismantle its nuclear facilities was transformed from a negotiation into a demand.

The United Nations has been dragged into this more strident approach to security, with the use of the Security Council to threaten action against those deemed to be a threat by the United States undermining UN credibility in the eyes of many Asians. Similarly, in the war against terror, an uncompromising US has built tension into relations with Muslim communities, which the UN has signed onto in the eyes of Muslims, through recent Security Council resolutions on terrorism. Already viewed with suspicion in a part of the world averse to intervention, efforts by the United Nations in the past decade to codify behavior and set standards in more and more areas have been taken as a sign of diminished neutrality.

Scenarios and Recommendations

A catastrophic worst case scenario for the Asian region in traditional security terms would stem from conflict between the region's current and future nuclear powers. In Northeast Asia this would involve China and Japan, or somehow Taiwan. Mirroring such a conflict scenario in Northeast Asia is the threat of a confrontation between India and Pakistan. Catastrophe in terms of human security could ensue

from a serious pandemic of avian influenza, which would hit Asia's poor hardest because of under-funded health and welfare safety nets.

In all these cases the old twentieth century reliance on Western-led intervention is no longer tenable. There is an urgent need to step up safeguards against nuclear proliferation and address the growing tensions between Asia's big powers. But this is something Asian nations may prefer to do among themselves because global institutional frameworks like the Bretton Woods institutions and the United Nations are seen as discredited, inefficient, or simply not neutral.

Asia can continue to muddle through with an inadequate multilateral security framework still rooted in the post-colonial world order, but this will hinder effective cooperation and standard-setting in broader areas of human security. By making key changes to institutional arrangements at a multilateral level, in effect to regionalize and confer ownership of the rules on Asians rather than "outsiders," the risks of future human and international security crises could be much reduced. The three top priorities in this regard might be (1) more effective pan-Asian multilateral cooperation through the creation of interlocking sub-regional bodies tying together South Asia, Southeast Asia, and East Asia; (2) a more proactive role for the United Nations at the regional level, moving beyond the current economic and social scope into areas of international security and mediation, but styling this as a genuine engagement with regional stakeholders, and not simply an extension of the US dominated UN Security Council; and (3) the need for the major powers in Asia – chiefly India, China, and Japan – to agree on a crisis-management role within a similar framework to that used to manage Western security interests. For this to work it would be critical for the United States to cede more autonomy to Asian powers in managing Asian security.

²³ Michael Mandelbaum, *The Case for Goliath: How America Acts as the World's Government in the 21st Century* (New York: Public Affairs, 2005).

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