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PROBLEMS OF EAST ASIAN SECURITY IN THE POST-COLD WAR ERA

INTRODUCTION

Post-Cold War international security framework is undergoing many significant changes. Changes are manifold and in many ways call for re-thinking on approaches to security. Like most other regions of the world, the East Asian region which during the past few decades has constituted an important theatre of cold war confrontation is also faced with significant changes in security relations and perspectives. The Cold War framework of 'free world versus international socialism' is no longer a valid consideration in the region's security debate. The growing importance of economic factors in security relations and the increasing economic and military weight of China, Japan and other East Asian states have added new dimensions to the debate on East Asian security.

This paper aims at analysing the problems of East Asian security in the Post-Cold War era, with particular stress on the sources of threats to regional stability. It also attempts at identifying some approaches to security in view of the post-Cold War changes and emerging trends in the dynamics of regional security in East Asia. The geo-political context of East Asia covering the Cold War security perceptions and the post-Cold War features and trends have firstly been outlined. Major potential sources

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of instabilities as well as perspectives of some concerned states are then analysed which is followed by some tentative propositions on approaches to stability and security in East Asia.

I. THE GEO-POLITICAL CONTEXT

The East Asia region mainly comprises of Japan, South and North Korea, East Coast of China and South China Sea including different islets, South East Asian and Indo-Chinese states. This region became strategically significant as a result of a series of events including the Japanese occupation during World War II, emergence of the People's Republic of China, Korean War and protracted conflict in Indo-China. The Korean and the Vietnam Wars were particularly responsible for bringing the superpowers and China into conflicting positions. These developments transformed the entire region into one of the most strategic and sensitive areas of the world.¹ In the Cold War period, both the superpowers - the United States and the Soviet Union as well as China and Japan directly or indirectly showed their interest in the politics and economic potentials of the region. The superpowers devoted their best efforts to prevent each other from becoming dominant in the region while China and Japan were also active in this regard. The potential benefits of the largely unexploited, immense precious mineral and oil deposits of the area attracted the attention of the superpowers as well as China and Japan while control over the access from the Pacific to the Indian Ocean was of no less strategic importance. The security of the sea lanes was a matter of grave concern particularly for Japan, whose survival as an economic and industrial giant depends upon the transport of oil and other raw materials from the Middle East and other regions as well as the dispatch of finished goods to the global markets. Though economic motive was a significant factor, ideology played the dominant role behind the formation of different security arrangements involving the two power blocs which in turn contributed to huge arms race and military deployments as well as nuclear build-up in the region.

1. D.R. SarDesai, *Southeast Asia, Past and Present*, (New Delhi: Vikas Publishing House) 1981, p.3.

But the disintegration of Soviet Union and the end of the Cold War have dramatically changed the security environment of East Asia. The waning of the ideological divide has brought into sharper focus other dimensions in regional dynamics contributing to the reshaping of the security perceptions and concerns of countries of East Asia.

East Asia has now become very important from the economic point of view compared to the Cold War era. In 1960 the Asian economies produced less than 5% of the world's output, by 1990 they accounted for more than a quarter of global GNP.² Japan, of course, accounts for a very large portion of the region's output, but its share is declining. In the 1970s Taiwan, South Korea, Hong Kong, and Singapore entered a period of rapid growth, and in the 1980s these newly industrialised economies (NIEs) were joined by such countries as Thailand, Malaysia, and most notably, China. East Asia's growing weight in international trade is even more impressive. For example, East Asian trade with Western Europe rose from 4.6% of world trade in 1980 to 8.8% in 1990. The region's trade with North America rose from 7.1% of the global total to 10.5% over the same period. By 1990, East Asian trade with both Western Europe and North America was larger than the trade of those two regions with one another.³ Moreover, intraregional trade has considerably reduced the East Asian dependence on global economy. In the 1970s, a change of 1% in global growth caused a corresponding swing of 1.6% in growth of the East Asian economies as a group. By the 1990s, however, a 1% change in global growth rates produces a swing of only 0.3% in East Asian growth.⁴ In the face of long recession in the U.S., an economic slump in Western Europe, and even the pronounced slowdown in Japan, East Asia has continued to record strong rates of growth. Economic success and potentials of East Asia has brought all the conflicting Cold War states in to the same platform to secure benefits

2. Stephen W. Bosworth, "The U.S. and Asia in 1992: A New Balance", *Asian Survey*, Vol. XXXIII, No. 1, January 1993, p. 104.

3. *Ibid.* p. 105.

4. *Ibid.* p. 106.

from this region which has in turn changed the Cold War security perceptions. Economic imperatives have significantly contributed to a new wave of protectionist tendencies, particularly under the cover of growing new regional trading and economic groupings like North American Free Trade Agreement (NAFTA) or strengthening of existing groupings like EC which as perceived by many analysts, will have significant influence on developments in the East Asian region.

On the political front, a broad transformation of alignments is under way. The rise of democratic ideas and free market principles have significantly contributed to the formation of such alignments. Russia and China both have established formal diplomatic relations with South Korea. Bilateral relations between North and South Korea and between Japan and North Korea have significantly improved. Considerable normalisation of relations between U.S. and Indo-Chinese states have also occurred which were not possible in the cold war period.

There is a clear downgrading of the role of ideology in state policy. Throughout East Asia, second and third generation post-revolutionary leaders place the highest priority on domestic development and are not greatly troubled by ideology. Rigidly ideological views have lost ground; there is increasing recognition of the virtues of pragmatic approaches to political, economic and foreign policy issues.⁵ Parallel with this, considerable transformation in the political set up is taking place in the East Asian communist states. It seems likely that these states will have liberal politico-economic adjustments in the 21st century. But these transformations may also generate uncertain security implications for the region.

In the post-Cold War era, considerable demilitarization took place in the region. The former Soviet forces have been withdrawn from the Cam Ranh Bay. On the other hand, the decrease of U.S. global economic might is likely to reduce the extent of U.S. security involvement in the region.

5. Donald S. Zagoria, "The End of the Cold War in Asia: Its Impact on China", in Frank J. Macchiarola and Robert B. Oxnam (eds.), *The China Challenge: American Policies in East Asia*, Proceedings of The Academy of Political Science, Vol. 38, No. 2, (New York: 1991) p. 4.

America's own national interests no longer justify the same military presence in East Asia as was maintained during the Cold War. The huge bases in the Philippines have already been closed and modest reductions are scheduled in U.S. deployments elsewhere in the region.⁶

In the context of all these changes, the region is likely to witness new phases of uncertainty. The paper now focuses on the potential sources of instabilities and conflicts which may destabilise the region in the post-Cold War era.

II. MAJOR POTENTIAL SOURCES OF INSTABILITIES

Tensions in US-Japan Economic Relations

One of the major potential sources of instabilities in the East Asia region is the U.S.-Japan Economic relations and consequences of tensions thereof. Japan's tremendous economic success and mounting trade surplus with the United States poses a great challenge to the success and prosperity of U.S. economy. Economic challenges faced by U.S. due to Japanese restrictive and often protectionist policies may increase the uncertainty in US-Japan economic relations. The U.S. trade deficit with Japan rose from \$15.8 billion in 1981 to \$54.4 billion in 1986. By 1990, however, the figure had fallen to \$ 41.7 billion.⁷ Increase in U.S. exports to Japan in the latter half of the 1980s had changed the situation to some extent, but the trade imbalance did not disappear. The deficit is expected to reach \$ 48 billion in 1993 and will probably be even higher in 1994.⁸ The deficit with Japan is the largest among all U.S. trading partners, accounting for 78% of the overall U.S. trade deficit in the first half of 1991. Between 1986 and 1990 it accounted for an average of 40% of the U.S. trade deficit.⁹

The US budget deficit is the other source of tensions in Washington-Tokyo ties. When the large deficit created by the Reagan Administration

6. Stephen W. Bosworth, *op.cit.*, p. 107.

7. Ernst-Otto Czempiel, "U.S.-Japan Relations in a post-Cold War Context", *Japan Review of International Affairs*, vol. 6, No. 3, Fall 1992, p. 305.

8. *Newsweek*, January 25, 1993, p. 20.

9. Ernst-Otto Czempiel, *op. cit.*, p. 305.

attracted capital from all over the world, Japan was first to fill the gap. Japanese capital exports in effect financed the U.S. budget deficit for most of the second half of the 1980s at interest rates that were lower than would otherwise have been possible. Although subsequently, the inflow of long-term Japanese capital to the US fell considerably Japan's financial support of U.S. fiscal policies remained strong.

The large imbalance in the economic relationship fosters one sided and partisan arguments and add to the frictions. Although the Americans know very well that they have to solve most of the problem themselves, they blame the Japanese, with some justification for closing their markets. The U.S., for example, is very much critical of the Japanese restrictions on rice import. The Japanese, for their part, are well aware that their companies practice dumping in order to capture U.S. markets, yet they criticize American industry's lack of competitive strength, although not without some justification.

The Clinton Administration has been following the footsteps of its predecessor putting pressure on Japan for removing its protectionist practices. It considered, for example, to revive the 'Super 301' trade law which was made inoperative in 1990. This clause in the U.S. trade law was adopted to punish the nations who will be found practicing unfair trade.¹⁰ The possible revival of 'Super 301' can be predicted from the fear expressed by Gaishi Hiraiwa, leader of Japan's most powerful business Group, the Federation of Economic Organisations. Gaishi said, "The Clinton administration will take a tough Stand toward Japan in trade policy and taxation on foreign firms in the United States."¹¹ Japanese government is also preparing to counter U.S. actions. A Foreign Ministry panel in December 1992 proposed a bill that would allow retaliation against the United States for actions seen as a violation of multilateral trade rules. The bill would be aimed at discouraging a re-enactment of "Super 301".¹² All

10. *Ibid.*, p. 306.

11. *The Daily Star* (Dhaka). January 15, 1993.

12. *Ibid.*

these may make the nature of U.S.-Japan economic relations uncertain in the future. Moreover, Japanese trade surplus with the U.S. and its protectionist policies are also viewed to have contributed to the formation of North American Free Trade Agreement (NAFTA) of which U.S. is the leading partner. Possible uncertainty in the nature of U.S. - Japan economic relations may prompt Japan for making efforts to become less dependent on the U.S. Japan is already taking independent decisions on domestic and global matters. In the Cold War era, Japan was obliged to accept decisions made for it by U.S. which could use two leverages over Japan: first, the threat of removing the security blanket and second, restricting the huge and rich U.S. market from the Japanese exports. Because of Japan's vulnerability, it had to yield to US commands even if that meant foregoing Japan's own interests. Japan was a mere decision-taker by all accounts.

But things have become different in the post-Cold War era. Today Tokyo's decision making is largely a function of what Japan needs, which may not always be the same as what the U.S. wants. Japan is now less willing to oblige to U.S. dictates as it is no longer convinced that its economic well-being and territorial security depends entirely on Washington. Several reasons may be identified as contributors to Japan's increasingly assertive position.

First, in recent times Japanese dependence on the US appears to have decreased while the US is becoming increasingly dependent on Japan. Japan's share of trade with U.S. for instance accounted for 35 percent of Japan's global trade in 1986. Today this figure is down to 27 percent.¹³ In 1992, Asia has replaced the slumping US economy as the largest Japanese export market. In contrast, US dependence on Japan's capital and technology has grown over the years. The Pentagon, for instance, depends on Japan for semiconductors and high-tech equipment for smart weapons which helped US tremendously to win a quick victory in the Gulf War. The Patriot antimissile for example, depends on a variety of Japanese-made semiconductors, including the gallium arsenide semiconductor. The memory device

13. *Ibid.*

that allows the cruise missile - another Gulf War star - to remember topography and chart the direction to its target, is said to be Japanese made. The key microchips for the newest type of three dimensional radar, the phased array are also reported to be exclusively Japanese made.¹⁴ Moreover, American leading computer companies like IBM, Apple, Compaq and Tandy also depend on the Japanese manufacturing companies for supplies.

Second, In the 1980's almost \$ 600 billion Japanese fund was invested abroad, especially in United States. In recent years, Japanese investors are turning inward and to Asia, to the latter because of cheap labour and quick return from this region compared to the United States. In 1992, Japanese investors took more money out of US than they put into, they withdrew almost \$ 20 billion from US. The Japanese investors are also now net sellers of US securities and bonds.¹⁵ Further, Japanese economy has been growing twice as fast as U.S. and has every prospect for relatively strong expansion in the 1990s.

Third, the break up of the former Soviet Union has contributed to Japan's becoming less reliant on U.S. security umbrella. The long held threat of possible Soviet invasion of Japan - a threat that justified U.S. military presence in Japan is largely reduced. Japan is also believed to be building up its economic power base in the Asia - Pacific region. It has become the most dynamic investor in the region and the region is also becoming increasingly economically dependent on Japan than on U.S.

Japan is becoming the region's most important trading partner. In 1989, Japan took in \$ 70.3 billion of the region's exports compared to \$ 101.3 billion absorbed by the United States. On the other hand, Japan's exports to the region was valued at \$ 92.4 billion, compared to the United States export of \$ 67.9 billion.¹⁶

Japan is now the region's main source of technology particularly high technology. In 1987, the value of Japan's exports of high-tech to the East

14. Walden Bello and Eric Blantz, "Perils and Possibilities: Carving Out an Alternative Order in the Pacific", *Alternatives, Social Transformation and Humane Governance*, Vol. 17, No. 1, Winter 1992, p. 11.

15. *The Daily Star* (Dhaka). January 22, 1993.

16. Walden Bello and Eric Blantz, *op. cit.*, p. 7.

Asian economies was twice that of the United States.¹⁷ Japan is also the largest source of bilateral aid to the region, providing \$4 billion, or more than twice the level of US aid to the region.¹⁸ The bulk of Japan's grant and loan program is, in fact, targeted at the Asia-Pacific. Tokyo has also emerged as a leading investor in the region. Japan's financial power has drawn its long time adversary China closer. Japan has extended billions of dollars to China and is helping it build human capital by training a great number of Chinese.

It becomes evident that the region's dependence on Japan is significantly increasing which may not be viewed to be congenial to United States political or economic interests in the region and may contribute to the uncertainty in U.S. - Japan relations. More pertinently, the East Asian nations depend on Japan and the United States to a large degree and any adverse development in the economies of these two powerhouses would strongly affect the regional drive toward modernization and stability.¹⁹

Japanese trade surplus with the U.S. and its lessening dependence on U.S. are considerably reshaping the New Clinton Administration's thinking and policies toward the East Asia region. Domestic economic difficulties also largely contributed to this reshaping. Debate is continuing in the U.S. Congress on the nature and extent of U.S. role in the East Asia region. Though the U.S. is saying that she would maintain a significant presence in the region, her assurance seems not enough to sustain confidence among East Asian states on U.S. role in the region. Some analysts are of the opinion that the New Clinton Administration may not give economic and military protection to Japan and its surroundings as it did in the Cold War period or even if it does, it is likely that the extent of protection will significantly be reduced.

17. *Ibid.*

18. *Ibid.*

19. Leo Poh Ping, "U.S. - Japan Relations and Their Impact on the Asia-Pacific Region", *Japan Review of International Affairs*, Special Issue, 1992, p. 51.

The fear that Washington will reduce military deployments in the region is at the heart of regional security concerns. It is likely to create instabilities in the region. The other major powers - not just China but also Japan, Russia and India - are generally distrusted in the East Asia region and the U.S. is generally welcomed as a balancing presence. As many analysts see it, Russia's retreat from Cam Ranh Bay in Vietnam coupled with the U.S. withdrawal from bases in Philippines have created a power vacuum in the region. Reduction of U.S. presence may further contribute to this vacuum. Allies are anxious that further American disengagement should be, as Australian Foreign Minister Gareth Evans puts it, "gradual, predictable and subject to review as it proceeds".²⁰ This statement has been echoed by many East Asian leaders. As Singapore Defense Minister Yeo Ning Hong says, "we are apprehensive that, with domestic pressures back home, the new administration may find itself less willing to continue to preserve a significant presence in this part of the world".²¹ Therefore, in general, two uncertainties are prevailing in the region. One is about the nature and extent of U.S.-Japan economic relations and the other is the future U.S. military and strategic role in the East Asia region. Moreover, if the United States, in response to the uncertain nature of economic relations, makes attempts through China or South Korea to balance Japanese dominance in the region, the consequences will further affect the regional stability. Therefore, U.S.-Japan economic relations and its possible related consequences are the major potential sources of instabilities in the East Asia region.

Russian Position in the Region

The former Soviet Union held a superpower position in the East Asia region. But the disintegration of Soviet Union and the US-Russia detente have considerably reduced the role of Russia in the politico-economic-strategic matters of East Asia. Russia is gradually getting low profile in the overall matters of the East Asia region. This low status of Russia in the

20. *Dialogue* (Dhaka). March 26, 1993.

21. *Dialogue* (Dhaka). April 16, 1993.

region has been fostered by the continued dependence of Russia on U.S. and Japanese economic and technological assistance. Besides, Russia is now confronted with a comprehensive crisis that includes : a deteriorating economy; continued power struggle and lack of political stability as well as problem of institutionalization of the transition from communism to the democratic order; conflict between Russia and Ukraine over the control of the blackship fleet and command of the former Soviet Navy; and the problem of management of nuclear weapons involving Russia, Ukraine, Belarus and Kazakhstan.

All these Problems are likely to reduce the active Russian role in the politico-economic and strategic matters of the East Asia region thereby reducing the Russian direct threat from the East Asian countries. Besides, Russian military deployment will be significantly down-graded over the next few years as part of a massive reduction and reorganization of the former Soviet armed forces. The new Russian armed forces, created at the beginning of 1992, plan to slash the 3 million strong Soviet military it inherited to 2 million by 1995, and ultimately to 1.5 million by the end of the decade.²²

Notable military cuts have already taken place. For example, the former Soviet Union's internal upheavals have seen an exodus of non-Russian conscripts and widespread draft-dodging in the past year. Local military commanders in the Far East said that almost one-third of the troops in this region have returned home to non-Russian Republics. Further, drastic reductions in defence spending have led to a major drop in training and military exercises in the Far East region. According to Russian military officials, there has been a one third cut in the time warships of the Pacific Fleet spend at sea in 1991.²³

Despite this generally positive trend, instability or security problems may originate from a dramatic growth in the number of weapons systems now located in Asiatic Russia. Analysts pointed out the region has become a storage area for huge stocks of weapons pulled out from European Russia.

22. *Far Eastern Economic Review, Asia Year Book 1993*, p. 19.

23. *Ibid.*

Since the signing of the 1990 treaty on reduction of conventional forces in Europe, more than 16,000 tanks, 16,000 armored fighting vehicles and 25,000 artillery pieces have been transferred east of the Urals. Russian officials say 50% of the armor, mostly modern T 72 and T 80 tanks, have been used to re-equip military units in Central Asia and the Far East, while the rest have been mothballed. Western military observers said the result of this change in emphasis will be the creation of light, mobile rapid reaction forces that can be moved around the country at short notice.²⁴

Former Soviet Far East forces continue as a formidable regional military presence if not a military threat. While Russian President Boris Yeltsin's commitment to political and economic reforms are abundantly clear it would be imprudent to assume Russian democracy - and even more so democracy in nuclear armed Kazakhstan and the other newly independent Central Asian republics - will be spared setbacks in the years ahead. Such prospects are pregnant with developments that may not be congenial to regional security. It would also be inappropriate to assume that the former Soviet forces in this region have become totally inactive and powerless. Although the military activities of the former Soviet Union have decreased, they are still far from collapse and are considered part of the concept of "Defensive Defense"²⁵ the implications of which are not clear.

While the number of times Japan Air Self-Defense Forces (ASDF) had to scramble in response to former Soviet air forces was reduced by 20 percent in 1991, Russian air force activities in the vicinity of northern Japan have not stopped in the aftermath of the Soviet Union's collapse. Russia violated Japan's territorial airspace for the 24th time in April 10, 1992, following two such previous cases in the summer of 1991.²⁶ Hence, the "disappearance" of a potential Russian military threat in the region may be an illusion. Russian Pacific Fleet is still the largest regional navy. Therefore, Russia's post-Cold War position in the region could act as a source of instability or insecurity in the region.

24. *Ibid.*

25. Patrick M. Cronin and Lt. Col. Noboru Yamaguchi, "Japan's Future Regional Security Role", *Strategic Review*, vol. XX, Summer 1992, No.3, (Washington, D.C.: United States Strategic Institute) p. 19.

26. *Ibid.*

Chinese Imperatives and Concern about the Region

Uncertainties about Chinese post-Cold War policy toward the region may also be a concern in the region. The possible political and strategic implications of the Chinese tremendous economic growth have contributed to this fear. In addition, Chinese national and regional interest and aspirations are also viewed to add to the concerns.

The Chinese leaders' aspirations for a great power status and for the ability to command respect in global politics equivalent to the most powerful nations in the world, are in-built. Chinese belief in the supremacy of their civilisation and their aversion to the influence of western culture provides the drive to attain military equivalence.²⁷

China has a number of unresolved territorial disputes with a number of countries on her periphery (India, Tadzikstan, Kazakhstan, and Vietnam). While it may be expedient to leave these dormant for the time being, their future settlement may require a credible military infrastructure. China has disputed aspirations of controlling the South China Sea and Nansha Archipelagoes which were once under the Han Chinese Empire.²⁸

China has always been resistant to allowing any other power to impinge on her national affairs. This requires the creation of a robust political, economic and military infrastructure to guarantee autonomy in the global theatre. China is aware that its conventional armed forces are not comparable with those of Russia. Without tactical nuclear weapons, the People's Liberation Army cannot put up a meaningful resistance to the military might of Russia. The deployment of MRBMs and IRBMs along the Russian underbelly and the development of tactical nuclear weapons are a fact of life on both sides.²⁹ Despite the disintegration of Soviet Union, the reasons for these deployments have not been removed but may even escalate as a consequence of the future upgradation of force structures.

27. V.K. Nair, "Defence Forces and Nuclear Weapons in China's Foreign Policy", *China Report*, vol. 28, No. 3, July - September, 1992, (Delhi: Institute of Chinese Studies, Centre for the Study of Developing Societies), p. 216.

28. Bradley Hahn, "China : Third Ranking Maritime Power - and Growing", *Pacific Defence Reporter*, October 1988, *Strategic Digest*, December 1988, pp. 1577 - 81.

29. R.R. Subramaniam, "China's Nuclear Posture in the 80's", *IDSA Journal*, vol. XV, No. 4, April - June 1983, pp. 485-94.

The ASEAN and Indo-Chinese states straddle the strategic choke points that control movement from the Pacific to the Indian Ocean. China has laid claim to a large portion of the seas including the Spratly Islands which remains a motive for future conflict.

China, for its part, has its own reason for concern. Chinese leaders are worried that the rise of new powers in Asia will greatly complicate relations among the great powers. Zhug Jingyi, a noted Chinese international relations specialist, argues that, "with the relative decline of the superpowers, regional powers will feel even more free to use force". He observes that under such circumstances, "international conflicts are to become more complicated and delicate" and that "new acute conflicts" will emerge. In particular, "new and old land and sea border disputes", including those in the South China Sea "are intensifying with each passing day."³⁰

Japanese possible future role in the region is a foremost concern to Chinese analysts of the future of Asian security. While satisfied with bilateral relations in the shortrun, the Chinese take a number of considerations into account in their assessment of Japan's possible emergence from an economic giant into a political and military monster. These include the growing volume of Japanese military expenditures, now ranking third in the world following the United States and the (disintegrated) Soviet Union; initial signs of changes in Japan's strategy from an emphasis on inland defence to an emphasis on ocean defence; an unprecedented increase in Japan's arms production and modernization which provides its troops with over 80 percent of the best military equipment in the Asia - Pacific region leaving apart the US and the erstwhile USSR; the emergence of rightist groups in Japan, most of them militarist minded, though small in number (no more than 0.1 percent of Japan's population), which can by no means be underestimated in terms of their political capacity.³¹ Japan's participation in UN peace-keeping activities, despite its well intentioned

30. *Far Eastern Economic Review*. April 13, 1989, pp. 24-25.

31. Yitzhak Shichor, "China's Defence in a Changing World", *China Report*, vol. 28, No. 2, April - June 1992, (Delhi: Institute of Chinese Studies, Centre for the Study of Developing Societies), p. 136.

missions, aroused latent Chinese anxieties about Japanese military activism beyond its frontiers. All these contribute to China's continued defence build-up which is viewed to be a factor inhibiting regional peace and stability.

Increase of Defence Expenditures and Military Build-up in the Region

All the major East Asian countries, particularly China and Japan, have significantly increased their military strength and defence expenditures over the years posing a great threat to the security of each other as well as to Indo-Chinese and ASEAN states. As evident from the annexed tables growth of military forces and defence expenditures has been significant also in Indo-Chinese and ASEAN states.

Lingering concern about the arms build-up is exacerbated as new deals are reported in recent days. The moves of China in particular are being observed with much interest. Western and Asia-Pacific leaders suspect that Beijing has ambitions of taking over the role once held by the former Soviet Union as the arch rival of the United States. China's defence budget jumped by 50 percent in the last five years.³² After years of neglect, China's armed forces are being modernised. The navy and airforce, are being particularly upgraded. Chinese military doctrine, especially in the wake of the 1991 Gulf War, no longer relies on sheer numbers of people; it stresses professionalism, with highly trained, quick-reaction troops using sophisticated weapons.

Some analysts are of the opinion that Sino-Russian rapprochement has allowed the Chinese, long isolated from global military markets, to go in for a complete overhaul of defence equipment and technology. Beijing is obtaining from Russia and other sources advanced fighter aircrafts, large transport and other planes, surface-to-air missiles, modern tanks and armored vehicles, in-flight refueling equipment long-range radars and submarines. It is also looking for an aircraft carrier.³³

32. *The Morning Sun* (Dhaka). March 30, 1993.

33. *Dialogue* (Dhaka). March 26 - April 2, 1993. And for more details see, *Far Eastern Economic Review*, *Asia Year Book* 1993, p.19.

The modernization of China's huge armed forces has once again become a top priority following a wide-ranging reshuffle of the central military leadership that saw political insiders replaced by professionals. But with limited funds allowing only a modest acquisition of weapons, the emphasis is on reorganising combat forces and rewriting military doctrines. The aim appears to be to gear the People's Liberation Army (PLA) towards being able to deal quickly with any external threats while backing up Beijing's expanding interest and influence in the Asian region. Analysts estimate that less than a quarter of the PLA's front-line forces will be designated as rapid deployment units. These forces will have higher priority in the allocation of new weapons and more funding for training aimed at maintaining a high level of operational readiness.³⁴ China, in addition, continues to be a leading arms supplier to the developing world.³⁵

Japan, another major power of the East Asia region, is also increasing its self-defence forces and arms build-up. Japan's military expenditure rose by 5.5 percent between fiscal years 1990 and 1991. Given an inflation rate of 2-3 percent the real increase is of the order of about 3 percent.³⁶ Such a rise is contrary to the experience of most Western countries, which have reduced their defence spending or kept them stable in recent years. Continued increase of the Japanese self-defence forces and import of conventional and sophisticated weapons are matters of considerable concern for its neighbours. Japan has been ranked as the number one importer of conventional weapons among the industrialised nations.³⁷

The Japanese military continued to press ahead with plans to acquire substantial amounts of new weapons primarily aimed at replacing outdated equipment. In the 1993 fiscal year Japanese navy sought a second Aegis-class destroyer, a new 8,900-dwt landing craft, submarines and Lockheed P3C Orion anti-submarine aircraft. The army wanted to purchase 23 Type-

34. *Far Eastern Economic Review*, January 14, 1993, p. 19.

35. *SIPRI Year Book 1992, World Armaments and Disarmament*, (New York: Oxford University Press) p. 272.

36. *Ibid.*, p. 243.

37. *Ibid.*, p. 273.

90 main battle tanks, nine US-made Multiple Launch Rocket Systems, other artillery and helicopters. The airforce requested for eight more F 16 fighters and Patriot anti-missile systems, other artillery and helicopters.³⁸

Other countries of the region are not lagging far behind in the race. Taiwan made a deal with U.S. for importing 150 General Dynamics F 16 fighter aircrafts. The F 16 deal was quickly followed by another announcement that the U.S. would sell 12 anti-submarine helicopters to Taiwan. These purchases are part of a major military spending programme Taiwan has undertaken over the past few years. Even before the F16 announcement, Defense Minister Chen Li An said Taiwan would spend US \$5 billion on weapons in 1992. Other contracts included two U.S. Knox-class frigates - though because of initial French concern over offending China, only the vessels hulls were to be delivered. Following the F16 decision, the French Government was also prepared to sell up to 60 Mirage 2000-5 fighters to Taiwan.³⁹

Reacting to the F16 deal, Beijing said it would no longer participate in UN-sponsored efforts to regulate arms sales by the Security Council's five permanent members. This has raised fears that China may resume the sale of missiles, other potentially destabilising conventional weapons and perhaps even nuclear technology particularly to states in the Middle East or to North Korea and Indo-Chinese states. These concerns were strengthened by an announcement in mid-September 1992, that China would supply Iran with a 300 MW nuclear power station.⁴⁰

In South-east Asia, Malaysia considers itself the new frontline state because it directly faces South China Sea. Malaysian leaders have been deeply disturbed by Chinese moves in this area. The head of military intelligence, Raja Rasald, publicly claimed that China's intention was to obtain all of the Spratly islands. He also predicted that China would become

38. *Ibid.*, and for detailed military build-up programs of Japan, see Alaka Acharya, "Japan's Defence Capability in Transition", *Asian Strategic Review 1991-92*, (Delhi: Institute for Defence Studies and Analysis) pp. 324 - 339.

39. *Far Eastern Economic Review, Asia Year Book 1993*, p. 17.

40. *Ibid.*

more aggressive if the United States reduces its presence in the region.⁴¹ Armed forces Chief of Staff, Tan Sri Hashim Ali noted in 1989 that Malaysian defence planning was shifting its emphasis from internal security to defence against external attack and that Malaysia faced a complete and uncertain situation in China.⁴² With regard to its defence build-up, Malaysia in April 1992, was considering the purchase of up to two squadrons of Mig29M air superiority fighters. This followed Malaysia's decision in 1991 not to acquire the British produced Tornado fighter-bomber. Besides the Mig29Ms, the Malaysians also went for shopping of US F16 and F18 fighters and the French Mirage 2000.⁴³ Malaysia's acquisition of advanced weapons and delivery systems may also prompt Singapore to take the same course. Singapore indeed announced in August 1992 that it would buy nine additional F16 fighters to add to its current inventory of eight F16s. With the airforce believed to be seeking to increase its combat strength by possibly another two squadrons, analysts believe Singapore may acquire the more powerful twin engined F 18 fighter.⁴⁴

Indonesia has already purchased one squadron of F16s, deliveries of which commenced in 1989. Jakarta was also reportedly considering the purchase of 44 British Aerospace Hawks. Indonesia also announced the purchase of 39 former East German ships (including 16 corvettes) for maritime defence. Military officials said that because of rising tensions in the South China Sea, these additional aircrafts and ships would be used to defend some of Indonesia's outlying islands and offshore oil and gas fields.⁴⁵

The Philippine also has its own imperative to boost its backward armed forces now that the country is no longer protected by locally based US forces. The navy, currently a motley collection of rusting coastal patrol craft, is top priority in the modernisation drive. In June 1990, then President

41. Leszek Buszynski, "ASEAN Security Dilemmas", *Survival*, vol. 34, No. 4, Winter 1992-93 (London: International Institute for Strategic Studies) p. 97.

42. *Ibid.*

43. *Far Eastern Economic Review, Asia Year Book 1993*, p. 20.

44. *ibid.*

45. Leszek Buszynski, *op. cit.*, p. 99. See also, *Asia Year Book 1993, op. cit.*, p. 20.

Cory Aquino announced a ten-year \$ 1 billion naval modernization plan.⁴⁶ Orders have been placed with a Spanish yard for 3 fast attack boats equipped with Exocet anti-ship missiles. The navy is also interested in acquiring a number of larger frigates that will enable it to maintain a presence around its offshore maritime zone in particular over several islets in the spartly group claimed by Manila. Aquino also called for a credible air defence system in response to the need to defend its claims in the South China Sea. The airforce in 1992 ordered for 18 Czech-built L 39 fighter/trainers, a number of Italian SIAI-Marchetti SF 260 light attack aircrafts, and 18 second-hand Israeli Kfir fighters.⁴⁷

Thailand's arms acquisitions have been among the most ambitious in the region. Although conflict in the South China sea might not directly involve Thailand, the consequences of such a conflict could nonetheless be significant. The Thai navy has consequently championed a \$ 1 billion modernization program including the purchase of frigates and integrated defence systems with radar to defend the eastern seaboard. Six Chinese made frigates were ordered in 1992 and the navy negotiated for the purchase of a light aircraft carrier from Spain. The airforce obtained the governments approval for the purchase of a second squadron of F16s, which were to be deployed in the south in a maritime role.⁴⁸

The above examples of recent military build-up efforts by major East Asian countries are indicative of the factors contributing to the potential sources of instability in the region. Although the possibilities of a conflict is not imminent the reasons for concern are obvious.

Other Sources of Instabilities

Korean Peninsula

The rivalry in the Korean Peninsula is an immediate source of instability in the region. Korean Peninsula has been regarded as the most troublesome spot in the post-Cold War East Asian region. This is mainly

46. *Ibid.*, p. 100.

47. *Far Eastern Economic Review, Asia Year Book 1993*, p. 20.

48. Leszek Buszynski, *op. cit.*, p. 99.

because of the suspected nuclear program of North Korea and intense military build-up by the two Koreas, implications of which could be dangerous for the entire East Asian region and beyond.

For the past two years, North Korea's efforts to become a nuclear state have overshadowed all other security issues in the Korean Peninsula. All powerful states including Japan, China, South Korea, the United States and Russia, have coordinated their efforts to halt the spread of these weapons in Asia. Japan made it the focal point of its negotiation, China and Russia exerted whatever pressure they could on North Korea to accept the international Atomic Energy Agency (IAEA) inspection, and the United States issued a stream of scarcely veiled threats of the use of force if Pyongyang did not make it clear that it was not engaged in the proliferation of nuclear weapons.

The U.S. initially estimated that North Korea's development of nuclear weapons would be completed between 1994 and 1995, but closer examination of the evidence has led to the view that the possibility is high that North Korea could finish its development programme by the end of 1993.⁴⁹

United States, South Korea, and the world community's suspicion over the North Korean nuclear capability reached to an extreme stage at the North Korea's March 12, 1993 decision of withdrawing herself from Nuclear Non-Proliferation Treaty (NPT) and IAEA inspection. This raised considerable fear in the North East Asian region and could destabilise the entire region. The North Korean move already dampened the reconciliatory attitude of the two Koreas over the unification issue. As implications of this move, Japan and South Korea may think about their nuclear options. If Japan and South Korea go nuclear it might spark a nuclear arms race in the North East Asia region the implications of which will not leave the growth and stability of the East Asia region unaffected. Moreover, the 38th parallel, the borderline between the North and South Korea, is considered to be the most heavily guarded border line of the world. The border has become very tense after the

49. *Asian Security, 1992-93*, (Research Institute for Peace and Security, Tokyo, Brassey's Ltd. London) p. 27.

North Korean decision. Any aggressive movement in the border may involve the heavy militarily equipped two Koreas into a hostile position which would seriously impede the peace and stability of the Peninsula.⁵⁰ By July 1993, part of the urgency was contained as North Korea had finally accepted IAEA inspections, but the United States and South Korea were still suspicious of the North's motives and possible hidden facilities.

The South China Sea Conflicts

The vast South China Sea region, which includes the Paracel and Spratly Archipelagos and the Natuna Island group remains the most likely and serious flashpoint in Southeast Asia. It covers a sea area of more than 250,000 square kilometers and is made up of more than 230 barren islets, reefs, sandbars and atolls, about 180 of which have been named.⁵¹

The Paracels already have been a source of conflict in recent decades. Located about 200 miles equidistant from the coast of Vietnam east of Danang and south of China's Hainan Island, this island chain was claimed by the Chinese as early as the 15th century. Vietnam meanwhile dates its claims to 1802 while by late that century the French who colonized Vietnam and the Chinese were arguing over their respective claims.⁵²

The claims over the Spratlys is complicated by three important factors: First, it is not simply a bilateral issue. A total of seven nations claim control of part or all of the archipelago. These include China, Brunei, Malaysia, the Philippines, Taiwan and Vietnam. In addition, just southwest of the Spratlys, Indonesia and Vietnam have conflicting claims over part of the Natuna Islands. Second, It is rich in marine resources. And finally, there is the continuing speculation that oil may be found under the Spratlys. The Philippines have already leased some portions of the Spratlys for drilling. In

50. For military abilities of two Koreas, see Nasim Ahmed, "The Korean Unification: The Process, Impediments and Implications", *BISS Journal*, vol. 14, No. 1, 1993, p. 66.

51. Chang Pao - Min, "A New Scramble for the South China Sea Islands", *Contemporary Southeast Asia*, vol. 12, No. 1, June 1990, p. 20.

52. Kenneth Conboy, "The Future Southeast Asian Security Environment", *Strategic Review*, vol. XX, No. 3, Summer 1992 (Washington, D.C.: United States Strategic Institute), p. 36.

addition, Vietnam may offer thirty deepwater blocks for bidding in the near future. In May 1992, China leased drilling rights to a US oil company. Should oil or natural gas be found, nations claiming control will undoubtedly try to enforce their claims.

The problem drew renewed focus when the Chinese National People's Congress passed a law on its territorial waters in April 1992 which claimed all of the Spratly islands and control over the areas. The dramatic increase in China's naval activities in the Spratlys contributed further to this trouble. As China and all other major South East and Indo-Chinese states are trying to take control of the parts of South China sea islands and as they are equipping themselves with modern military capabilities for this purpose, the region has become a trouble spot. Although no serious danger is imminent, the controversy over South China sea is bound to affect peace, growth and stability of the region.

Communist States in East Asia

Of the five remaining communist regimes in the world, four are in East Asia - the People's Republic of China, Vietnam, North Korea and Laos. These communist states are now facing adjustment problems with the present global trend including democratic ideas and free market principles. The ruling parties of these states perceive political pluralism as a threat to their regimes. In the adjustment process, therefore, while efforts are being made to introduce elements of free market system, the political and ideological dimensions of such changes continue to be shelved.

It is difficult to predict the future shape of tensions that are in all possibility being accumulated as a result of this dichotomy. The outlook ranges from the "East European model" of change, to growing authoritarianism for maintaining tight political control. Southern coastal China, for example, appears well on the way toward socio-economic transformation. This has significantly contributed to the rapid economic development of China. But if and when such development would outpace political reforms, the social system may be destabilized threatening even the

basis of further growth.⁵³ It may also affect the regional growth and stability because of the region's growing interests and dependency on China and vice versa.

Moreover, politics of the East Asian communist states might be problematic as the current octogenarian leaders pass from the scene. This may cause problems of stability to the region. The leadership's ability to effect a successful transition is of great consequence for the PRC's internal stability and the stability of its immediate neighbours for continued economic progress, and for the future direction of its foreign policy towards the region and beyond.⁵⁴ Again, the succession in North Korea is a critical factor in managing both Korean reunification and perhaps even a nuclear weapons crisis.⁵⁵

III. TOWARDS STABILITY IN EAST ASIA : A MULTILATERAL APPROACH

One of the approaches for sustaining stability in the region may be through a multilateral security framework comprising of all the East Asian states as well as United States and Russia. The East Asia region does not have formal multilateral security arrangements such as the North Atlantic Treaty Organization (NATO) or Conference on Security and Cooperation in Europe (CSCE).

Bilateral security arrangements which have been formed in the Cold War era will not be effective to tackle the regional sources of instabilities. The strength of these bilateral arrangements is very uneven. The vitality of many of these alliances has eroded. The level of support that can be expected from the 'guarantor' states has decreased considerably. Mutual benefit and support and burden-sharing are increasingly becoming the essential criteria in determining the vitality of alliance.⁵⁶ Hence, in addition to bilateral arrangements, multilateral arrangements are needed.

53. Gerald Segal, "The Consequences of Arms Proliferation in Asia II", *Adelphi Paper* 276, April 1993 (London : IISS) p. 51.

54. *Asia - Pacific Defense Forum*, Winter 1992-93 (Hawaii, U.S.A.) p. 19.

55. Gerald Segal, *op.cit.*

56. Muthiah Alagappa, "Introduction : The Changing Strategic Environment in the Pacific", in Muthiah Alagappa (ed.), *In Search of Peace, Confidence Building and Conflict Reduction in the Pacific*, (Malaysia : Institute of Strategic and International Studies) 1988, p. 2.

Though a structure like that of the CSCE is apparently unlikely to be effective in East Asia, an area marked by diversity and the continued survival of the seemingly well-entrenched communist regimes in China, North Korea and Vietnam, most analysts envisage a flexible but interlocking network of bilateral, subregional and regionwide arrangements for managing security problems. The United States is believed to be in recent times indicating its support for multilateral security arrangements in the region to complement existing bilateral arrangement.⁵⁷ Canada also indicated similar options as it reportedly maintained that the recent crisis over North Korea's withdrawal from NPT could have been avoided if the Asia-Pacific region had a more developed multilateral security dialogue.⁵⁸ Analysts say, the key to progress in building a post-Cold War security order for East Asia is to have the four major powers in the region - China, Japan, Russia and U.S. - work together and with other countries in the region to dampen tension and resolve problems. They said that this type of cooperation had already taken place over the Cambodia issue.⁵⁹ At a meeting in Tokyo on February 1993, Japan and ASEAN states, agreed that the time had come to convene a meeting of senior officials from Asia Pacific countries to discuss security problems in the area and how best to handle them. Jusuf Wanandi, Head of the supervisory board of the Center for Strategic and International Studies in Jakarta said that China, Russia, Vietnam, Laos and Cambodia should be made full participants in the regional security talks in the near future. He said that a multilateral forum for dealing with regional security problems was needed to build mutual confidence and prevent conflicts and misunderstandings. At a later stage, arms control and reduction measures could be added to the agenda.⁶⁰

But what would be the nature or basis of this security framework? It would rest on a simple idea: the best guarantee of real security is the rapid demilitarization and denuclearization of the region. The time would be very useful to channel sub-regional energies into the drive to create a

57. *International Herald Tribune*, March 30, 1993.

58. *Ibid.*

59. *Ibid.*

60. *Ibid.*

regional denuclearized and demilitarized zone. The principal mechanism to achieve this goal might be a multilateral treaty for the United States, Japan, Russia and all other East Asian states. This treaty would institute, among other things, a ban on nuclear testing in the Pacific; a prohibition on the storage and movement of nuclear arms in the region; a ban on chemical and biological weapons; a ban on providing aid on research and development of high-tech weaponry; tight limits on armament cooperation in the region and the transfer of conventional arms through sales or aid.

Confidence building measures involving sharing of production plans and periodic exchanges of visits to production plants and military exercises are mechanisms that could help ease fears about each other's intentions. Cooperative defence production programs would do even more to avoid conflicts between neighbors.⁶¹ This can be done under the proposed multilateral security framework. Its primary contribution will be in helping provide for more transparency in security matters.

The most pressing issue that must be addressed is the Korean Peninsula. Demilitarizing the region by pulling out or reducing US troops and ensuring that neither South Korea nor North Korea develop nuclear weapons would be the first step in this process. The strategic imperative and usefulness of the annual U.S.-South Korean "Team Spirit" military exercise - a dress rehearsal for war with the North, need to be reviewed. In the past, suspension of the exercise in 1992 for example - had met with a positive response from Pyongyang. Political and diplomatic pressures on North Korea should also be accompanied by assurances from the U.S. that it would not use nuclear weapons against the North. A commitment from South Korea that it would not seek conventional military superiority over the North would also be helpful. Institution of joint inspection arrangements of nuclear programs by the two Koreas themselves which had earlier proved fruitful in normalising the relationship between the two Koreas,

61. Alex Gliksman, "Arms Production Spread : Implications for Pacific Rim Security", in Dora Alves (ed.) *Evolving Pacific Basin Strategies: The 1989 Pacific Symposium*, (Washington, D.C. : National Defense University Press) 1990, p. 71.

may also promote improvement of relations between the two. The root cause of instability, however, is the continuing division of the Korean nation. Thus, the security framework must also support efforts to reunify the peninsula. Unity of Korea is the key to peace in North East Asia.

Another approach for sustaining stability in the region may be economic - the establishment of an East Asian regional grouping arrangement for economic, trading and technical cooperation. Greater trade facilities among the member countries, increased intra-regional as well as inter-regional trade, investment and technology-sharing arrangements will be the core concerns of this arrangement. The main objective should be not to create a protectionist bloc but to create broad-based forum in line and in collaboration with the APEC to mobilise support for greater economic cooperation and exchange within the group as well as with other regions.

In addition to enhancing economic exchange and cooperation such a forum can contribute to the confidence building measures in the region. Economic opportunities and imperatives will bind them with stronger ties and mutual interest resulting in the lessening of tensions among themselves. Moreover, since economic cooperation and exchange require the adoption of democratic practices and free market principles as accompanying prerequisites, this may contribute to the stable democratic environment around the region which is considered to be crucial in achieving stability in the region.

Another approach for sustaining stability in the region might be through the creation of a broad-based network of regional NGOs not only for exchanging ideas and experiences in their respective fields of socio-economic development, but also for creating a public opinion in favour of cooperation at the decentralized and micro-level. This will further contribute to a commonality of stakes in maintaining regional peace and stability. The experiences of several NGOs in the region in their fields, some of which have become powerful lobbies and interest groups at the national level may be usefully capitalized in formulating people-oriented policies. In many countries, the most courageous, dedicated and intelligent organizations are

found in NGOs working on human rights, development issues, the environment and minority questions. Their success in coming together transcending their specialized or national concerns for the sake of greater regional interest may be conducive to peace and stability.

APPENDIX I

Number of Active Armed Forces in East Asian Countries

Country	Year	
	1988-89	1992-93
China	3,200,000	3,030,000
Cambodia	60,000	135,000
Indonesia	284,000	283,000
Japan	245,000	246,000
North Korea	842,000	1,132,000
South Korea	629,000	633,000
Malaysia	113,000	127,500
Philippines	147,500	
	(including Para-Military)	106,500
Singapore	55,500	55,500
Taiwan	405,500	360,000
Thailand	256,000	283,000
Vietnam	1,252,000	857,000

Source: *The Military Balance*, 1988-89 and 1992-93. IISS. London.

APPENDIX II

Arms Trade and Military Expenditure in East Asia
(1987—1991)

Country	Arms imports (in millions of US \$)	Arms imports as % of 1991 GNP	Military expenditure as % of 1989 GNP
Japan	9,750	0.3	1.0
North Korea	4,631	10.0	20.0
South Korea	3,552	1.0	4.3
Thailand	3,370	4.0	2.7
Taiwan	2,174	1.0	5.4
Indonesia	1,429	1.0	1.7
Singapore	1,276	4.0	5.1
China	797	0.2	3.7
Cambodia	318	31.0	n.a.
Philippines	144	0.3	2.2
Laos	133	26.0	n.a.
Malaysia	105	0.2	2.9
Brunei	34	1.0	n.a.
Vietnam	6	0.0	n.a.

n. a. - not available.

Source: Chancellor Ro-Myung Gong, "The Consequences of Arms Proliferation in Asia I" *Adelphi Paper* 276, April 1993, (London : IISS) p. 43.

APPENDIX III

China's Major Conventional Weapons Exports to the Developing World (Figures are in US \$ Million, at constant 1990 prices)

Year	Value of Exports
1987	2917
1988	1866
1989	865
1990	954
1991	1127

Source: - *SIPRI Year Book 1992, World Armaments And Disarmament.*
(New York : Oxford University Press), p. 272.

APPENDIX IV

Japan's Import of Major Conventional Weapons
(Figures are in US \$ Million at constant 1990 prices)

Year	Value of Exports
1987	1644
1988	2177
1989	2795
1990	2094
1991	1040

Source: *SIPRI Year Book 1992, World Armaments And Disarmament.*
(New York : Oxford University Press), p. 273.

APPENDIX V**Increase in the Defence Expenditures of China**
(Percentage growth over previous year)

Year	Percentage growth
1987	4.2%
1988	3.9%
1989	15.3%
1990	15.2%
1991	14.0%
1992*	13.8%

* Projected.

Source: *Asian Security, 1992-93*, (Research Institute for Peace and Security, Tokyo, London: Brassey's Ltd.), p. 93.

APPENDIX VI**Increase in the Defence Budget of Japan**
(Percentage growth over previous year)

Fiscal Year	Increase
1988	5.2%
1989	5.9%
1990	6.1%
1991	5.5%
1992	3.8%

Source: *Asian Security, 1992-93*, (Research Institute for Peace and Security, Tokyo, London: Brassey's Ltd.), p. 136.