Challenges and Opportunities in the Asia–Pacific Region

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We live in the most revolutionary age in history. Never has the pace and scope of change been so great. Consequently, we must learn to live with complexity. All broad generalizations and simple analyses have deficiencies. In assessing current international relations in the Asia–Pacific region, therefore, one must take full account of the complex balance sheet involving challenges and opportunities.

First, let us note the relationship between multilateralism in its various forms and bilateralism. Institutionalized multilateralism in Asia has suffered setbacks recently. It has always been more precariously based than in Western Europe because of cultural, developmental, and political differences among constituent members. Organizations like the Association of South East Asian Nations (ASEAN), the Asia Regional Forum (ARF), and ASEAN Plus Three have also been damaged by the recent fragility of some key participants. To be sure, these bodies have importance. They enable national leaders to meet and engage in dialogues, both in formal sessions and on the sidelines. Further, they focus attention on a wide range of key issues. Yet thus far, they have been essentially “talk” not “action” bodies. The principal actions to date have been in the realm of economics, but even in this respect, progress is largely tentative.

Multilateralism in a different form, however, assumed increasing importance in the recent past: namely, coalitions of nations brought together because of a common interest in a given problem or set of problems. These coalitions, with the application of such labels as “Four Party Talks,” are more informal in institutional terms, and they may be temporary. Yet on such a critical issue as that pertaining to North Korea, they have been playing a highly significant role. Moreover, with the encompassment of a range of security issues, including those of human security, their scope is expanding.

Nevertheless, bilateral relations remain the most important aspect of Asia–Pacific international relations at this point, and those between the major nations are especially critical in shaping the economic-strategic climate in the region.

U.S.–Chinese Relations

It can be argued that among such bilateral relations, that between the United States and China is the most important today, whatever measure is applied. Despite the recent focus on the Middle East and South Asia, the United States continues to have vital interests in East Asia. Its economy is intimately connected with this region, in terms of both trade and investment. Further, as the world’s only superpower, its interaction with other major nations affects both the global and regional climate; and in Northeast Asia, the four major powers of today come into the closest contact. China is now the rising power in Asia. Its reach, economically and strategically, is expanding. Its policies and attitudes are of major consequence to every Asian–Pacific state, and relations with the United States play an important role in shaping such factors.

The atmosphere of American–Chinese relations remains a mixture of clouds and bright spots. The Chinese media—with officials occasionally joining in—persistently charge the U.S. government with arrogance, unilateralism, and
interference in the internal affairs of other nations and of seeking to impose its own values and institutions on sovereign states. Naturally, these charges were buttressed by the Iraq War. The U.S. media—and some politicians—answer in kind with attacks on China’s violations of human rights, authoritarian rule, and intransigence on territorial issues.

Yet both governments have taken care in recent times to moderate official stances. For example, China, although making clear its opposition to the U.S. war against Iraq, was remarkably low key in its criticisms once the conflict began. And the United States has been cautious in approaching the issue of punishment for human rights violations, refusing to support UN sanctions most recently.

Indeed, the past six American presidents and all top Chinese leaders commencing with Deng Xiaoping have sought to build a relationship that is positive on balance. Even those presidents who criticized ongoing China policies as candidates made substantial modifications in their positions after being elected. Chinese leaders, meanwhile, even when faced with a public manifesting widespread hostility toward America in the aftermath of incidents like the accidental bombing of the Chinese embassy in Belgrade, have sought to keep negativism under control.

**The Economic Factor**

What accounts for this situation? One might start with the economic factor. Trade and investment now occupy a vital position in U.S.–China relations. American investment in China continues to accelerate at a rapid rate, and trade has been increasing by double-digit figures in the recent past. These gains may be affected by SARS, but in the long run they seem likely to maintain a strong momentum. To be sure, there are problems. The U.S. trade deficit with China reached approximately $95 billion in 2002. Further, although China represented a growing market (and one-half of its exports come from companies with extensive foreign investment), advanced nations like the United States are being forced to place ever greater emphasis on information technology (IT) and similar high-tech fields as well as the service sector. While China becomes a formidable competitor as well as a center of great opportunity, economic ties between the United States and the People’s Republic of China will continue to be of vital importance to both societies. Marx would have been baffled by the fact that most of America’s big “bourgeoisie” are among the most ardent supporters of a positive U.S. policy toward China, and, on the other side, President Jiang Zemin recently supported the entry of Chinese entrepreneurs into the Communist party (CP), urging that the CP be a party of the nation, not merely of the “proletariat.”

**Strategic Considerations**

Economic considerations meld into those of a strategic nature. China’s fourth generation of leaders, recently come to power, are essentially technocrats rather than ideologues. Most were trained as engineers or in similar fields. Moreover, many have had extensive experience as provincial or city administrators. Their priority is on continued economic development, making China “rich and strong.” Regional instability and especially a relationship with the United States fraught with tension would disrupt such a priority.

To be sure, China has had increasing qualms about the rise of American military power and the recent use of that power. As a result of the Afghanistan and Iraq wars, the United States currently has a much greater military presence in Central and South Asia, supplementing its long-standing position in East Asia. Indeed, China is now surrounded by that power—in some places at close range. The Chinese response has included a strenuous effort to improve relations with all of its neighbors, thereby seeking to create a buffer against that power and at the same time participating more vigorously in various regional mul-
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American Foreign Policy Interests

tilateral bodies from ASEAN Plus Three to the Shanghai Cooperation Organization.

**North Korea**

At the same time, however, Beijing has shown itself prepared to cooperate with Washington on issues in which mutual interests, such as Korea, coincide. In the past China has had the closest to an effective two-Koreas policy of any outside state. Moreover, its extensive food and energy assistance to North Korea has given it considerable potential leverage. After some reluctance, it has now become a dialogue participant with the United States and the Democratic People’s Republic of Korea. The opening stages have proved difficult, as the April 2003 Beijing meeting illustrated. North Korea has only one bargaining chip: namely, threat. It has now escalated threat to the summit, asserting that it has nuclear weapons and has reprocessed its 8,000 spent nuclear-fuel rods. This tactic is of dubious worth for the North, as it has further angered China and aided the hard-liners in Washington in the ongoing controversy within the Bush administration over Korea policy.

Nevertheless, assuming that the United States avoids unilateralism in dealing with this issue and continues to work with South Korea and Japan as well as with China and Russia in seeking a resolution that involves some accommodation on the part of both sides, U.S.–China relations should benefit. The collapse of the North would produce new challenges. China does not want the Seoul government—sustaining an alliance with the United States—on the Yalu River. Nor does it desire the waves of refugees that would accompany such an event and the enormous economic costs involved. Collapse, however, does not seem imminent, despite the North’s massive economic problems, unless the outside world employs stringent sanctions.

Conflicts also seem unlikely. Without allies, the North could not possibly survive such an event, whatever initial damage it might do to the South. For its part, the United States is unlikely to confront every other nation in the region by undertaking a preemptive strike. Thus, although the Korea problem is not likely to be resolved easily or quickly, it represents an issue upon which logic would dictate cooperation between the United States and China.

**Taiwan**

A second issue, that of Taiwan, may be more worrisome. In the recent past, to be sure, cautious optimism has been warranted. Increasingly convinced that time is on its side given the massive economic and cultural interaction between Taiwan and the mainland that has occurred in recent times, China has shifted its policy from one of threat to one of seeking support from the Taiwanese people, urging such further steps as the three links (direct transport, travel, and communications). Further, with some evidence that the Chen Shui-bian government, which Beijing will never trust, is in trouble due to economic difficulties, dialogues with Taiwan’s Kuomintang and People First parties have been encouraged.

Yet the political impasse that currently exists at the official level will not be easily terminated. China insists that Taiwan authorities must accept one China, with both the mainland and Taiwan being a part of that China; further, according to Beijing, the solution to reunification lies in the one-country, two-systems formula applied to Hong Kong and Macao. Yet three-fourths of Taiwan’s people want the status quo to continue, at least for the present, and there is little support for the Beijing formula.

History has decreed that the United States will continue to be deeply involved in the Taiwan issue. Some months before the Korean War, Secretary of State Dean Acheson proclaimed that the United States would no longer be involved in the Chinese civil war, but the intervention of China in the Korean conflict caused an abrupt change of U.S. policy. Today Washington’s position is somewhat enigmatic, perhaps deliberately so. As
in the past, the United States proclaims that it supports one China (without definition), opposes any declaration of independence by Taiwan, and seeks a peaceful resolution of the issue that has the support of Taiwan’s people. At the same time, it has long asserted its willingness to provide Taiwan with the military equipment necessary for its defense.

Recently the Bush administration has indicated its willingness to sell Taiwan its most advanced antimissile system, a seeming shift from an earlier position. Washington authorities cite evidence that the Chinese continue adding ballistic missiles to their coastal arsenal aimed at Taiwan.

This situation could greatly increase tension between China and the United States, especially if it were accompanied by involvement of the United States in Taiwan war games. At present Taiwan is strapped for funds and may not be able to afford the antimissile equipment, but the Taiwan factor in Sino–American relations has darkened.

Thus the future of relations between the United States and China will continue to have its complexities, and, from time to time, incidents are likely to occur that will require skillful handling by the leaders on both sides. There is reason for hope, however, that the relationship will be one that is, on balance, positive, with growing cooperation in various realms. One general consideration should not be overlooked. The leaders of all major nations are coming to realize that conflicts between such states cannot be won. The “victor” as well as the defeated will suffer huge damage, both domestically and internationally. The era of global conflicts, twentieth-century style, is almost certainly over.

Given the unresolved disputes, continued military expansion by diverse states, and the uncertain consequences of the rise of nationalism throughout Asia–Pacific (including the United States), however, a balance of power will continue to be a hedge against a breakdown of regional peace. Thus the foreign policy of the United States will rest on two foundations: a concert of powers, as noted earlier, and a balance of power.

**U.S.–Japanese Relations**

Just as China will be a principal actor in the first course, Japan will be a key participant in the second. Although U.S.–Japanese relations have their complexities, the strategic alliance remains intact, and indeed has been strengthened in the recent past. Japan is still the world’s second largest economy, and its economic interaction with the United States remains of vital importance to both nations. To be sure, the United States is worried about economic trends in Japan and the seeming inability of the system to undertake sustained, deeply rooted reforms. Prime Minister Koizumi, who came to office with the strong support of the public, has faltered in the face of pervasive opposition from the bureaucracy and his own party, and his popularity has suffered. Indeed, there are few promising Japanese politicians on the horizon, and public attitudes betray an increasing pessimism with respect to both politics and economics.

Nonetheless, Japan continues to adhere to its strategic alliance with the United States, and the government has supported American policies in Afghanistan and Iraq, despite public doubts. Increasingly, however, Japan has been seeking to change the nature of the alliance from one of patron-client to one of partnership. Moreover, it has taken an increasing number of independent actions, from initiating free trade negotiations with several Asian nations to Koizumi’s various trips to Asian neighbors, including the Democratic People’s Republic of Korea (DPRK). Nevertheless, the prospects for continued close relations between the United States and Japan are strong.

**U.S.–Russian Relations**

Perhaps the most surprising development in recent times has been the warm relationship between the United States and the Russian Federation. Under President Putin, Russia turned
to the West and notably to the United States, conscious of the benefits, both economic and strategic. Russian interaction with Asia, notably India and China, however, remains important. Wanting to restore Russia’s global status, Putin has emphasized its Eurasian position. That aim remains to be achieved because of the faltering Russian economy and the deterioration of its military force. At some point Russia will become a rapidly developing nation, but many obstacles remain. U.S.–Russian relations were damaged by the Iraq issue and related economic matters, but once again the leaders of both nations have given evidence that they want to renew the favorable relationship, despite continuing policy differences.

**Sino–Japanese Relations**

Bilateral relations between the other major Asia–Pacific nations in many respects mirror the complexities of U.S. relations. Because of its historical background, the Sino–Japanese relationship remains delicate, despite the advent of major economic interaction and growing cultural contacts. Chinese authorities regularly voice suspicions that Japanese militarism may be returning, using the textbook issue and high officials’ visits to Yasukuni Shrine as evidence. On the Japanese side, the concern about China at present is based more on economics, the fear being that Japan might not be able to cope with massive Chinese economic inroads involving nearly one-half of Japan’s major companies’ transferring a major portion of their operations to the People’s Republic of China. Can a transformation of the Japanese economy be sufficiently far-reaching and in time?

**Japanese–Russian Relations**

Japanese–Russian relations are minimal, in part because of economic conditions in Russia but in larger measure because nationalist tides are blocking a solution of the South Kurils (Northern Territories) question. At some point, however, the Russian Far East will become an integral part of a Natural Economic Territory (NET) involving Northeast China, the Korean Peninsula, and Japan. Proximity and the complementarity of assets and needs will steadily increase the strength of this NET and aid in promoting broad cooperation in the region.

**Sino–Russian Relations**

China’s relations with Russia have already been marked by cooperation through the Shanghai Cooperation Organization on terrorist issues and a reduction of military border forces. This relationship is far from an alliance and until the Iraq War, China viewed Putin’s pro-American policies with wariness. At present, however, despite the slender economic ties and the concerns of Far Eastern Russians about the possibility of a Chinese surge northward, the Sino–Russian relationship is better than at any time in the past five decades.

**Asia–Pacific Bilateral Relations**

A survey of bilateral relations involving the major Asia–Pacific nations indicates that despite numerous problems and unresolved issues that constitute challenges for the future, the current course is generally toward increased cooperation and reduced tension.

**Northeast Asia**

How do relations involving medium-sized and small Asian states affect the general scene in the region? It is clear that in Northeast Asia, the position of the Republic of Korea (ROK) is of special importance. Economically and politically open
and thus able to interact effectively with a great variety of other Asian states, it generally has been a success story.

The strategic alliance between the ROK and the United States, like that between the United States and Japan, remains intact. New ROK President Roh Woo Hyun, reversing a position taken in the past, has strongly proclaimed the importance of the alliance; he even sent a small force to Iraq to signify support. Adjustments to the Status of Forces Agreement and some repositioning of American bases and forces in Korea should reduce tension between the populace and the United States military, despite concern in certain quarters that by moving troops away from the DMZ, the United States is increasing the risks and burdens on the ROK. In the recent past, anti-Americanism has increased in South Korea, especially among the younger generation. Incidents like the accidental deaths of two schoolgirls hit by an American vehicle are partly responsible. A broader issue has been U.S. policy toward the DPRK and the belief on the part of a certain segment of the South Korean population that hard-line U.S. policies have inhibited South Korean efforts at rapprochement. How the recent revelations of the North’s nuclear policies will affect attitudes remains to be seen. In any case, cooperation between the two governments relating to policies toward the DPRK will be a crucial factor in determining the future course of this relationship. Further, in the ROK as elsewhere, nationalism is rising, and the demand to have South Korea’s independence and authority respected underlines current feelings.

Meanwhile, ROK policies toward China have shown major improvement in the last decade. Economic relations, especially with Northeast China, are a powerful factor in South Korea’s economic advances, although Kim Dae Jung’s economic reforms should be given full credit. As emphasized, China can also play a significant role in determining the future course of North Korea. Hence ROK leaders hope to keep in close touch with Beijing.

Russia is seeking to reenter the Korean scene, encouraging exchanges of high-level visits involving both North and South. At some point Russian oil and gas pipelines will furnish vital energy to the region, greatly strengthening the Russian presence.

In the final analysis, however, Korea—divided or united—must make a critical decision regarding its security. Historically three options existed: maximum isolation, the route from which the appellation “hermit kingdom” derived; efforts to achieve balanced and favorable relations with all neighbors; and alignment with a distant, non-threatening power to protect the country against powerful states on or near its borders. The first option is no longer available in this age of globalization, as the crisis in the North illustrates. The second option, culminating in the domination of one outside power, often failed in the past. Thus the third option has been pursued by post-1945 ROK leaders; but Kim Dae Jung successfully combined options two and three, and that may be the future course of Korea’s leaders, given the geopolitical challenges to be faced.

Mongolia, the remaining state in Northeast Asia, is a country vast in area and sparse in population. Nearly 40 percent of its people remain nomads, and economic development has been slow to unfold. China is a principal outside source of interaction. Mongolia seeks to maintain balanced and favorable relations with its two giant neighbors and hopes that others, including the United States and Japan, will become more involved. There is safety in numbers.

In surveying the security issues confronting Asia, one fact stands out: Despite recurrent disputes between and among states that on occasion have led to violence, full-scale state-to-state conflict seems unlikely, even among small states, because of its costs. The challenges to regional security and domestic stability are principally threefold in nature: the problems spewed out by failing and faltering states; terrorist activities, both by nonstate and state-supported actors; and the rising issues labeled human security. Each of these is having an impact on the Asia–Pacific region today.
Southeast Asia

No other East Asian nation is in the category of the DPRK at present, but some face serious problems affecting their internal unity and strength. Among the important nations of Southeast Asia, Indonesia continues to face multiple problems. Separatism and religious strife afflict portions of the nation, and economic development is problematic. Indonesia’s recent weakness, along with that of several other states, has adversely affected ASEAN. Myanmar is another faltering state, beset for decades by ethnic conflicts and possessing leaders unable or unwilling to undertake necessary reforms. The recent tensions on the Myanmar–Thai border and between Cambodia and Thailand are testimonies to the fragility of border regions in this part of the world. Laos and, to some extent, Cambodia remain fragile societies, beset by multiple internal problems. All of these states illustrate the impact that problems labeled domestic can have on the region around them. Moreover, the economic and political reforms necessary to provide greater domestic stability and a positive outreach will not come quickly or easily. In-state upheavals have not ended.

Terrorism

Terrorism employed by groups in rebellion is both a product of and a contributor to domestic problems. In some cases, supported or inspired by outside forces, terrorism has grown in parts of East Asia as well as in South Asia in recent years. To be sure, the use of the term “terrorist” is subject to debate. One person’s terrorist is another person’s “freedom fighter,” and state leaders have also been labeled terrorists in some instances.

Separatist issues are relatively modest in Northeast Asia, as are deep religious cleavages. China has a large number of ethnic minorities, but they form only 8 to 9 percent of the total population. In the far west, the Uighur and Kazakh people have created disturbances on occasion, as have the Tibetans. The current situation, however, is relatively quiet.

In Southeast Asia, terrorism has been a far greater problem. In Myanmar the issues are primarily ethnic, although religious coloration marks some instances. In Indonesia ethnic and religious cleavages have coexisted along with strong regionalism, such as in Aceh. Although the great majority of Indonesian Muslims are moderate, extremist elements exist, and conflict has been troublesome in certain areas. Similarly, in the southern Philippines, conflict has been endemic.

There is every reason to believe that these problems will continue to create domestic instability and, in turn, affect the regional atmosphere. Almost 60 years after independence was achieved following long imperialist rule, few, if any, fully integrated states exist in Southeast Asia. Similarly, certain South Pacific states, newly formed, are in precarious shape.

Human Security

Looking ahead, however, the most serious problems affecting Asia–Pacific security are likely to be those of human security—problems relating to resources, environment, and population. A recent international conference held in Japan to explore the issue of water, although lacking in concrete results, testifies to a growing recognition of one critical issue. Thousands of acres of land in China are becoming desert each year as a result of water shortage, and agricultural crops are in jeopardy in many areas. Nor is this simply a problem for China. It is emerging as a problem throughout the region—and the world. Energy is another growing scarcity. Pollution, moreover, is affecting the health of countless Asians, as dust and smoke sweep over vast areas, including some of the most populous centers. Although such problems may have domestic roots, none of them can be defined as merely domestic. Without exception, they have regional and global consequences.
Similarly, the problem of aging has begun to exert a serious effect on such societies as Japan. In two decades one-quarter of the Japanese population will be 60 years of age or older, with aging taking place at an accelerating rate as birth rates decline. A huge aged population is emerging in China, and population-control policies, justifiable from an economic standpoint, are creating a gender imbalance, with males predominating. Migration is not only from rural to urban China but also across China’s borders, to the concern of many neighbors.

By the middle of the twenty-first century, issues related to human security are likely to be the most serious issues confronting nations, and Asia–Pacific, given its population trends and resource needs, may be the most critical region where these issues will be faced. It is clear they cannot be resolved solely at the national level. One advantage in using multilateral approaches lies in the fact that in most cases nations have a common interest in finding appropriate approaches that can serve the region as well as the individual country. Yet serious attention to these problems has barely begun to take shape in the form of international and regional commitments.

In sum, the nature of challenges to a nation’s security is changing, although traditional threats have not completely disappeared. When the evolving nature of security problems is combined with the so-called revolution in military affairs, we are certain to witness many alterations in the foreign policies of every Asia–Pacific nation and in the techniques employed to achieve desired objectives. Multilateralism will grow in importance, despite the difficulties in improving its results. National boundaries will be increasingly blurred with respect to many critical issues, although nationalism will remain a potent force, and a fierce defense of national sovereignty will continue. Rapid changes in the relative power of various nations and regional groups will add to the complexity, requiring swift adjustments. Some new regional bodies, such as a Northeast Asia Security Organization, may emerge. In any case, many multilateral bodies—new and old—will be increasingly devoted to new issues. Bilateralism, moreover, will remain important, as will certain security alliances.

Ours is a difficult era, a complex era, but a promising era as the people and states of our globe are forced into new, more in-depth interactions with one another.

**About the Author**

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