

**Overview**

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**East Asia in 2001**



## 1. Beginning of a New Century

To say we are welcoming the beginning of the new century with an overflow of optimism about the future would not be true. With the surging waves of the revolution in information technology (IT) and globalization, human life is being pressed to change in various aspects, including at domestic and international levels. It is clear to us that these waves contain within them areas of light and areas of shadow.

A word often heard in recent times is “divide,” or “gap.” If we are not able to successfully ride these waves of the IT revolution and globalization, great gaps will emerge in economic development among countries and regions. As a result, we will see that the world is being divided into a part that is becoming more and more prosperous and a part that is not. The widening gap between the rich and the poor is not desirable in terms of the stability of the international community. For the Association of Southeast Asian Nations (ASEAN), containing a widening of gaps between old and new member states, and reducing the various gaps that exist, are becoming serious issues. As the IT revolution and globalization liberalize the movement of people, goods, money and information to an unprecedented degree, the vulnerabilities of democratic society are increasing through the enhanced openness as a result of those trends. The threat of international terrorism is an area of shadow in the rapidly occurring changes at the present time.

On September 11, 2001, the international community witnessed the horrifying terrorist attacks that targeted the World Trade Center and the Pentagon. While there was unanimous condemnation of the attacks among the international community, many of the world’s Muslim countries opposed the U.S. military campaign in Afghanistan and hesitated to support the operation. The reaction from East Asian countries reflected the diversity of the region, with agreement on condemnation of international terrorism, but not on the response of the United States to use military force.

U.S. allies Japan and South Korea not only condemned the attacks

but voiced their support for the U.S. response. Japan took special legislative measures that enabled its Self-Defense Forces to carry out rear-area support for U.S. military operations in Afghanistan as well as to deliver aid packages to Afghan refugees. China took a stance on the issue that was in direct con-

**The World Trade Center immediately after the terrorist attacks (September 11, 2001, New York)** (Reuters-Kyodo)

trast to its concerns over the increasing trend of unipolar U.S. predominance in the international community. Troubled with the activities of Islamic extremist groups within China, it sided with the United States in the condemnation of terrorism and engaged in cooperation on intelligence about such extremist groups. However, with the intention of regulating the U.S. military operations, China took the position that the United Nations Security Council (UNSC), of which it is a permanent member, should be brought into play, although it did not insist strongly upon this. With regard to the promotion of the U.S. military campaign, based upon UNSC Resolution 1368 of September 12, which condemns the terrorist attacks and recognizes the right of individual and collective self-defense, it would seem that China, wishing to maintain its good relationship with the United States, had no choice but to take a cooperative position.

Indonesia and Malaysia, countries with large Muslim populations, were put in a difficult situation. With the power base of the governments of both countries hardly solid, they had to pay close attention to the opposition of their citizens to the U.S. military campaign. President Megawati Sukarnoputri of Indonesia, in the first visit by an East Asian leader to Washington in the wake of the attacks, expressed her support for the United States. Within Indonesia, however, the opposi-

tion to U.S. preparations for a military campaign against the Taliban regime in Afghanistan was strong, and violent protests broke out. Taking stock of this, Megawati changed her stance to one that was critical of the United States in an implicit manner. Reliant upon U.S. investment and financial assistance for economic reconstruction, and although opposing international terrorism, Indonesia found itself put in a position where it could neither criticize the U.S. military operations directly, nor clearly show its support for them. Prime Minister Mahathir bin Mohamad in Malaysia, known for his anti-Western stance, placed Islamic extremist groups in the country under a close watch, including making arrests under the National Security Law, while opposing the military campaign of the United States.

On this issue, fellow ASEAN member states the Philippines and Singapore supported the military campaign, agreeing with the anti-terrorism position. Along with allowing the use of its air space to the U.S. forces, the Philippines expressed the intention to open former U.S. bases Subic and Clark. Singapore became an important transit point for U.S. military transport. Surrounded by Malaysia and Indonesia, however, Singapore was placed in a politically sensitive position.

North Korea, still pointed to by the United States as a “country that supports terrorism,” was seen to be taking pains not to bring about any adverse influence on U.S.-North Korean relations or on its international position. In the immediate aftermath of the attacks, it made an announcement denouncing “all forms of terrorism” while avoiding direct criticism of the U.S. military operations, going only as far as to state that “the action of the United States should not be a source of a vicious circle of revenge and retaliation that may plunge the world into the holocaust of war.”

What kind of effect will terrorism have on international security in the future? Prime Minister Tony Blair of the United Kingdom, the most ardent supporter of the United States after the recent events, stated that September 11 marked a “turning point in history,” and that

we were now living in a world that was different from ever before. However, the danger of international terrorism has been pointed out long before the attacks. Recognizing the importance of homeland security to protect the mainland from attacks by terrorists or other countries, the United States has recently started to develop a system to this end. Particularly feared is the danger of weapons of mass destruction, such as nuclear, chemical and biological weapons, passing into the hands of terrorists and being used by them. The Missile Defense (MD) program promoted by the United States forms a part of homeland defense. The recent terrorist attacks were not carried out with weapons of mass destruction but rather took the form of suicide attacks using hijacked commercial aircraft. However, these attacks were of a different order of magnitude from other acts of terror, in terms of the numbers of civilian victims, and the shock administered to the international community was huge.

Nonetheless, these attacks do not mean that the issues of international and regional security that had existed up to that point disappeared after the events of September 11. For East Asia, many potential conflicts still remain, such as the situation on the Korean Peninsula, the Taiwan issue and the territorial disputes in the South China Sea.

## **2. The Bush Administration Arrives: China and Russia Deepen Ties**

Along with the beginning of the new century came the inauguration of President George W. Bush in the United States. The countries of East Asia watched closely to see how U.S. security policy would change with the transition of power from the Democratic Party to the Republican Party for the first time in eight years.

Particular interest was focused on U.S. policy toward China. Foreign policy was hardly debated in the course of the presidential election campaign, and there was almost no reference made to East Asia.

Because of this, attention was focused on a remark made by Bush during the campaign that China was a “strategic competitor,” and concerns were partially entertained that U.S.-China relations would enter a tense period on the inauguration of the Bush administration.

In April 2001, before the Bush administration’s policy for East Asia had begun to be implemented in earnest, an incident arose out of a midair collision between a U.S. Navy EP-3E reconnaissance aircraft and a Chinese jet fighter. The two countries clashed, with the United States demanding the return of the crew and the crashed aircraft, and China insisting on an apology and compensation for the loss of the Chinese fighter. In the handling of the incident, however, both countries acted on the principle that they would not allow the conflict to turn critical. In the same period, U.S. arms sales to Taiwan were becoming an issue for U.S.-China relations, but the Bush administration’s decision was to take care not to add to the tension in its relationship with China. Although the rhetoric of the Bush administration is tough, it is basically continuing within the framework of the “engagement policy” of the Clinton administration. The description of China as a “strategic competitor” has not been used since the inauguration of the administration.

The stance of the Bush administration can also be seen in its policy toward North Korea. It ordered a review of North Korea policy, and on receiving the results, called for the opening of dialogue between the two countries in June 2001. In a similar manner to its policy towards China, it took up where the Clinton administration left off, pursuing a policy based on dialogue and deterrence, in accordance with the Perry Process. However, the call for dialogue was not answered by North Korea, and U.S.-North Korean relations were brought to a standstill. Since September 11, the North Korean issue has moved down the list of foreign policy priorities of the United States. In the time ahead, conflict is expected to arise over compliance with the nuclear framework agreement of the Perry Process, and there is uncertainty over future developments in U.S.-North Korean relations.

On the other hand, the Bush administration has taken a position of placing importance on its traditional alliances, and is working to further strengthen security cooperation with Japan, South Korea and Australia. It is endeavoring to strengthen relationships with India and the members of ASEAN. The Quadrennial Defense Review Report (QDR01), published September 30, 2001, states that the possibility exists that “a military competitor with a formidable resource base” will emerge in Asia, and that “the East Asian littoral – from the Bay of Bengal to the Sea of Japan – represents a particularly challenging area.” The focus of this statement is obviously the rise of Chinese power. However, the United States intends to take the initiative to construct a new security order not by intimidating China through containment, but by utilizing multilateral dialogue in a complementary manner with traditional alliances.

In recent years, the changes in the strategic environment of the Eurasian continent have been remarkable. If the partnership between China and Russia, in alignment with Central Asian countries, is developed further, this trend will come to have an influence on the security of East Asia. It would seem that the situation in Eurasia has increased even further in complexity since September 11.

Ties had been developing between Russia and China, and in July 2001, President Jiang Zemin of China and President Vladimir Putin of Russia signed the China-Russia Treaty of Good-Neighborliness, Friendship and Cooperation. Although China and Russia had a need for a good economic relationship with the United States at the time of signing the treaty, both countries stressed the necessity of constructing a strategic partnership with each other as well as a multipolar world order. Although the historical distrust that exists between the two countries will not be easy to shed, they share a common political intention of cooperatively opposing U.S. dominance in the world. Furthermore, in June 2001, along with four Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan), China and Russia had newly established the Shanghai Cooperation Organization (SCO). The SCO

can be seen as one part of the framework to realize the China-Russian strategy of encouraging a multipolar world order.

After the series of terrorist attacks on its mainland September 11, however, the United States demonstrated to the international community that it was the country with far and away the most comprehensive power in the world today. Taking care that, on a diplomatic level, the campaign against Osama bin Laden and the Taliban would not be viewed by Muslim countries as a “clash of civilizations” between the Western and Islamic worlds, the United States worked to form a global coalition against terrorism. The dominance of the United States on a military level was once again demonstrated with the rapid planning for the campaign in far-off Afghanistan and deployment of the necessary forces in the areas surrounding Afghanistan. China and Russia gave their support to the United States with regard to its response to the terrorist attacks. With Russia offering more positive support on the one hand, and China stressing that the response had to be conducted through the framework of the United Nations on the other, however, the two countries did not manage to keep their policies on the United States in alignment. Furthermore, differences emerged in the responses to the United States by the two countries on the issue of the Treaty on the Limitation of Anti-Ballistic Missile Systems (ABM Treaty). China resolutely opposed any amendment of the treaty to allow for missile defense systems while Russia expressed an interest in forming a new strategic relationship with the United States, although it criticized the U.S. notification of withdrawal from the treaty December 13.

At this moment, it seems that precedence will not be given to the China-Russia strategic partnership to the point of allowing relationships with the United States to be sacrificed. However, in terms of the security of East Asia, it is necessary to pay close attention to the future strategic partnership of China and Russia on the stage of the Eurasian continent, as well as the U.S. response to this partnership.

### 3. Need for Good Governance and Stability

Despite the existence of many potential conflict factors in East Asia, 2001, like the previous year, passed without any conspicuous military tension developing in the region. The reasons behind this were that East Asian countries have been preoccupied with settling domestic issues and implementing reforms, that power is balanced among the major countries, and that the dialogue process of the ASEAN Regional Forum (ARF) has been established. At the Ministerial Meeting in July 2001, the ARF announced its process of moving from a first stage of confidence building measures to a second stage of preventive diplomacy. However, to maintain peace and stability within the region, it is fundamentally necessary for each country in the region to firmly establish political stability on a domestic level.

In 2001, new administrations were successively inaugurated in three major ASEAN countries: Thailand, the Philippines and Indonesia. This fact has showed that the pressing issue for these founding members of ASEAN hereafter will be to realize government that is accountable to its people, namely to establish good governance

Up until the financial crisis, the sense of participation in politics among the people of Thailand, the Philippines and Indonesia had been rising with the economic development that was being achieved. The changing of regimes in these countries reflected aspects such as the perception of the people that recovery of the economic base or the fruits of structural reform were slow in emerging, and that corruption among politicians and power struggles were getting in the way of necessary reforms. In other words, these factors seem to have led to a loss in confidence among the people in their governments.

On the exposure of corrupt stock trading as well as illegal gambling in the Philippines, a mass movement emerged demanding the resignation of President Joseph Estrada. Meanwhile, in Indonesia, President Abdurrahman Wahid was failing to take effective measures with respect to structural reform of the economy, the separatist movements

and religious conflicts. Once the finger of suspicion was pointed to corruption by the president himself, calls for his resignation rapidly began to increase, and large-scale protests were held with this aim. Neither Estrada nor Wahid could ignore the voice of the people. It became clear, however, support from the military was a necessary element for the changing of the regimes, which demonstrated immaturity in terms of the democracy in both countries.

Under the guidance of the International Monetary Fund (IMF), the Chuan administration in Thailand managed to smoothly accomplish

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### **ARF Meeting of Heads of Defense Universities/Colleges/Institutions**

Defense universities, defense colleges or war colleges are the highest institutes in professional military education systems. They are responsible for the education of high-ranking military officers in the ranks of lieutenant colonel and above. As one of the primary roles of such institutes, they function as think tanks for conducting analysis of military and security affairs, and theoretical research. They have their origins in Britain's Royal College of Defence Studies, which was established in 1927 based on a recommendation of a Cabinet Committee chaired by Sir Winston Churchill (then secretary of state for colonies and later prime minister). In Japan, besides functioning as a think tank, the National Institute for Defense Studies (NIDS) carries out research exchanges with equivalent institutes of other countries.

As part of the ASEAN Regional Forum (ARF), the ARF Meeting of Heads of Defense Universities/Colleges/Institutions was established with the purpose of fostering exchanges and building confidence among the armed forces of member states. The meeting is held annually and NIDS, as the representative of Japan, hosted the fifth meeting in August 2001.

**Minister of State for Defense Gen Nakatani gives the opening address at the ARF Meeting of Heads of Defense Universities/Colleges/Institutions (August 28, 2001, Tokyo)**

structural reform of its economy. Criticism among the people increased with a standstill in its economy, however, and the people passed their judgment in the subsequent election. Power shifted as a result and Prime Minister Thaksin Shinawatra was inaugurated. With this first general election to be conducted under the 1997 democratic constitution that was enacted to increase political transparency and eliminate corruption, a mechanism to monitor corruption was put in place. Democracy is being steadily established in Thailand.

On the issue of governance, political reform to bring the country in line with the changes in the times is required in China also. Since the introduction of market economy under the policy of reform and of open doors, China has achieved remarkable progress in economic development. On the other hand, however, this process has brought about a gap between rich and poor, and corruption at government and party levels. Now, the legitimacy of the rule of the Communist Party of China (CPC) is being called into question. In his speech on the occasion of the 80th anniversary of the founding of the CPC, General Secretary Jiang Zemin announced that there would be an easing of the standards for party membership and that private businesspeople would be accepted as members. This announcement signaled that the CPC was moving on from its former existence as a party for the proletariat and farmers. If the CPC were not able to flexibly respond to the economic progress that had led to the diversification of Chinese society, it would be left behind with the changes in the times. Behind Jiang's announcement was an awareness of changes in Chinese society, and perhaps a sense of crisis in this regard. As the policy of reform and of open doors started under Deng Xiaoping has reached a point of no return, this reform seems to be compelling a change in the nature of the CPC and the ways of politics in China.

Despite the fact that, suffering severe economic difficulties, North Korea relies on food aid, the established regime of Kim Jong Il, chairman of the National Defense Commission, has shown no signs of being shaken. When the realization of the inter-Korean summit in June

2000 led to the publishing of the joint declaration, expectations were born of reconciliation between North and South, and the establishment of peace on the Korean Peninsula. Over a year since then, these expectations have been turning into disappointments. The cold stance taken by North Korea in the second half of 2001 on the issue of inter-Korean relations dealt a major blow to the Sunshine Policy of South Korean President Kim Dae Jung in particular. It became evident that for Kim Jong Il, maintaining his regime was more of a priority than freeing the country from its economic suffering. As long as continuance of the present regime conflicts with economic reform in North Korea, the situation on the Korean Peninsula will continue to remain unstable. The international community should work together to put pressure on Kim Jong Il to introduce economic reforms if North Korea requires economic assistance.

Since the financial crisis, many countries in East Asia have been making efforts to alleviate its aftereffects. Due to ASEAN striving for economic progress in the region not only by cooperation within the region itself, but by seeking cooperation with Japan, China and South Korea, regional cooperation has been stepped up in East Asia.

For ASEAN, economic development continues to be an important factor for regional stability. It is necessary to narrow the economic gaps within the region, by the promotion of economic reform by each individual country, for ASEAN to respond effectively to economic globalization and to realize the establishment of a common market, which is the goal of the ASEAN Free Trade Area (AFTA). This is especially true concerning the gaps between the countries that have been members since its establishment in 1967, Brunei, which joined the original six members in 1984, and the three countries of Indochina, as well as Myanmar, which became members after the end of the Cold War. Although the financial crisis left each country feeling hard pressed to respond on a domestic level, and there were misgivings that the cohesive power of ASEAN had been weakened, ASEAN is attempting to deal with the issue through regional cooperation. For example, in

the aim of closing the gaps within the region and improving its overall strength and competitiveness, the Initiative for ASEAN Integration (IAI) is being promoted. However, to tackle the issues, it is necessary to strengthen not only cooperation, within ASEAN but that of the East Asian region as a whole, which includes that of Japan, South Korea and China.

Developing regional cooperation, including the framework of cooperation among ASEAN, Japan, South Korea and China (ASEAN Plus Three), which in turn will have the result of stimulating confidence building between the countries of the region, is expected to contribute to the security of East Asia. The role of Japan in promoting this regional cooperation is not small.