

# EAST ASIA IN THE “NEW ERA” IN WORLD POLITICS

By LOWELL DITTMER \*

THE purpose of this article is to consider the impact of the events of September 11 on world politics, taking American policy toward East Asia as a case study. Although it is South Asia and not East Asia that was the source of the terrorist attack and hence the main focus of the American reaction, there are at least three reasons why East Asia merits our attention. First, East Asia is of increasing political and economic importance in the world, the site of the two most sanguinary conventional wars since World War II and the only region to have increased its proportionate share of the world's GNP and trade.<sup>1</sup> That this assessment is shared by the current American leadership is indicated inter alia in the 2001 *Quarterly Defense Review*, which advocates a “paradigm shift in force planning” to better accommodate anticipated defense needs in the Asian Pacific.<sup>2</sup> Second, as the site of an ancient civilization of proud pedigree currently in renaissance, East Asia sees itself positioned to question, perhaps challenge Occidental notions of “modernization,” specifically the self-selected American leadership role in the world. Third, although East Asia has historically been less plagued by terror than the Middle East or Europe (in part because of high economic growth rates and relatively flat distribution patterns), there has in the past decade or so been an unprecedented upsurge in terrorism within the region, leading some to consider that Southeast Asia should be a “second front” after the destruction of the Taliban.<sup>3</sup>

\*I wish to thank Gilbert Rozman for his helpful comments on an earlier draft of this article, and the Center for Chinese Studies at the University of California at Berkeley for funding support.

<sup>1</sup>The East Asian economies in 1960 accounted for only 4 percent of world GNP; by 1991 the figure was about 25 percent; from 1978 to 1988 trade in the region had increased by 230 percent, accounting for about half of the growth of world trade. The most dramatic growth rates were enjoyed from 1960 to the mid-1990s, when GDP per capita growth for the region averaged 4.6 percent annually. See Nicholas Crafts, “East Asian Growth before and after the Crisis,” *International Monetary Fund Staff Papers* 46 (June 1999), 139ff; and Yilmaz Akyuz, Ha-Jun Chang, and Richard Kozul-Wright, “New Perspectives on East Asian Development,” *Journal of Development Studies* 34 (August 1998).

<sup>2</sup>See *Quadrennial Defense Review Report* (Washington, D.C.: Department of Defense, September 30, 2001).

<sup>3</sup>John Gershman, “Is Southeast Asia the Second Front?” *Foreign Affairs* 81 (July–August 2002), 60ff. According to Rohan Gunaratna, of the Centre for the Study of Terrorism and Political Violence

East Asia's growing power and ambivalent relationship to the West give it a swing vote, so to speak, at a crucial juncture of world history. To the extent that this marks the advent of a new era in world politics, if it does not make sense in East Asia, that would constitute a serious, perhaps crippling drawback.

One index of the importance of East Asia in response to the war against terrorism is its role in the three dominant international trends of the post-cold war era: *globalization*, *regionalism*, and the continuing struggle for the *balance of power*. East Asia has played a critical role in each of these areas, as will be discussed below.

Whereas we do have some understanding of globalization as an epiphenomenon of technological progress and as a contributor to both economic growth and economic crisis, its political dimensions are not yet entirely clear. Intrinsically an apolitical market phenomenon, globalization, however—like the domestic market—seems to have political prerequisites, if it is to bring prosperity and not disaster to its participants. According to hegemonic stability theory, these public goods may be provided by a superpower or hegemon acting out of enlightened self-interest to preserve a system that bestows upon it disproportionate benefits. Yet the role of hegemon brings with it not only overweening power but also the likelihood of attracting international envy and resentment, for it is extraordinarily difficult to understand exactly what policies are appropriate to maintain conditions conducive to mutually profitable globalization and to mobilize the support to put them into effect. This is precisely the role that has been played by the United States, even more conspicuously in the post-cold war years than during the construction of the Bretton Woods agreements, when two rival colossi bestrode the globe. And this role is part of what made the U.S. a target of international terrorism on September 11. The international support so abundantly forthcoming in the immediate aftermath of the attack was in part an understandable expression of human sympathy, but it also reflected the insight on the part of many that there was a need for some uniquely qualified power to play that role and the almost panicky sense of what the absence of such could bring. Yet the role of hegemon remains a difficult part to play, and never more so than when attempting to apprehend and punish those who trespass against the ill-defined rules of the global game.

The hegemon confronts a dilemma, straddling the options of

---

at St. Andrews University in Scotland, Asia has been experiencing the highest level of terrorist attacks in the world. Cited in Barry Desker and Kumar Ramakrishna, "Forging an Indirect Strategy in South-east Asia," *Washington Quarterly* 25 (Spring 2002), 161ff.

overkill and disrespected weakness. And should ridding the world of terrorists be the all-consuming task, even at the expense of economic custodianship? Who can function as the region's locomotive with both Japan and the U.S. in recession? The East Asian "tigers" and their emulators, who benefited from globalization like no others during and after the cold war, may be expected to be sympathetic to but not uncritical observers of how the U.S. plays its leadership role, particularly in the aftermath of another disaster that profoundly shook prevailing assumptions about the global order: the Asian financial crisis of 1997–99. In a rapidly changing and always risky world, the role of international leadership is not written in stone and can be undermined if the vital economic interests of the followers are not served. Indeed, other institutions, other potential leaders have begun emerging in the region. Though still under some suspicion for its outbursts of ambition in the 1990s, China, for example, has played its self-selected new role of responsible great power with remarkable restraint in the wake of the crisis, with Jiang Zemin's Polonius offering Bush's Hamlet sage advice about how not to pursue a vendetta.

East Asia, as a corner of the globe almost uniquely bereft of either strategic architecture or plans for economic integration, might seem to be irrelevant to any discussion of regionalism. This is in part a result of the American preference for a divide-and-rule strategy for maintaining its historically dominant role in the region—hewing to the familiar hub-and-spokes pattern of bilateral alliances rather than to any overarching multilateral organization. And it is partly because of the anomalous role of the People's Republic of China (PRC), the traditional hegemon of the region, whose modern embrace of an abortive experiment in social utopianism resulted in its protracted ostracism from the rest of the region. Japan's role in the region has also been awkward. After many years as a booming economic superpower intensely identified with the West and because of its previous role as military conqueror, it was the only Asian country unsure that it in fact was an Asian country. Yet in only the past ten years, many of these complexes have been in remission. The Association of Southeast Asian Nations (ASEAN) has organized a series of important regional bodies, including the ASEAN Regional Forum (ARF), the Asian-European Meeting (ASEM), and ASEAN + 3 (China, Japan, and South Korea). China has made an unprecedented attempt to integrate itself into the region, partly to drive out Taiwanese diplomats in its quest for recognition as the one (and only) China, partly in response to its ostracism by the West after the 1989 crackdown at Tiananmen, partly to neutralize the

possibility that the international organizations might otherwise array against it. Thus the PRC has become not only an avid joiner of all available regional organizations but also the proponent of new ones. In a region racing to make up for lost time and constitute itself organizationally, the American role could be crucial. Will Washington succeed in integrating these budding regional organizations into its war on terrorism, or will the war be pursued to their neglect, ultimately resulting in a regional architecture that excludes Washington?

Similarly, a war on terrorism would seem to have no impact on the balance of power, since terrorism is a stateless phenomenon that does not figure in the calculus of that balance. But as we shall see, the Bush administration redefined that calculus by holding nation-states responsible for harboring terrorists. It was therefore possible to attack and defeat the Taliban regime in Afghanistan, and it could open the door in the future to attacking other imputed terrorist havens. In view of the enormous imbalance of power between the U.S. and any conceivable opponent (in a world in which the U.S. has a larger defense budget than the next eleven nations combined), it is perhaps unsurprising that the immediate impact on the balance of power has been rampant bandwagoning. Nearly every possible suspect regime, including North Korea, Saudi Arabia, and Iran, has hastened to decry terrorism and join Washington's coalition. The impact of September 11, while revealing an underlying vulnerability, has been to strengthen the nation-state in general and the U.S. in particular. Yet there may be more to this than meets the eye—the allies underwrote 90 percent of the cost of the 1991 Gulf War, but will they help finance a war they do not fully support? In a world increasingly polarized between burgeoning globalism and resentful nationalism, what will be the eventual impact on the balance of power of such crushingly lopsided victories? Will their deterrent effect outweigh the sense of grievance?

The key question addressed below, using these three themes as a sort of barometer, is this: did the events of September 11 really introduce a new era or did they simply mark a catastrophic but temporary interruption to the ongoing pattern of world politics? Although the purview of our analysis will encompass the Asian Pacific region, the focus will be on Washington, which (superpowership aside) would become, as victim of the attacks, the defining metaphor and beacon of the "new era." The article is divided into three main sections. In the first, in quest of a baseline, we turn to American foreign policy before September 11, as it emerged in the cauldron of a closely fought domestic political campaign. In the second, we show how this policy changed in response

to the events of September 11, in dynamic interaction with the major East Asian states. Finally, recognizing that foreign affairs is not merely a set of position papers but a complex web of relationships, not only among nation-states but also with reference to the dominant trends of the time, we return to our opening themes of globalism, regionalism, and national balance of power: *quo vadis?*

### ORIGINS

The origins of the Bush foreign policy perspective may be found first in the campaign critique of Clinton's foreign policy and second in the Republican foreign policy legacy. It has been alleged that William Jefferson Clinton had no Asia policy, that "it's the economy, stupid," signaled an administration focused "like a laser" on the domestic economy, out of a sense that the American electorate was exhausted from fighting the cold war. But this is not entirely accurate. It is fair to say that Clinton did not have any grand, Kissingerian foreign policy architectonic. As the first post-cold war president, perhaps his greatest contribution was to shift foreign policy from its geostrategic security focus to a substantially greater emphasis on political economy. As the American economy surged in the mid-1990s, trade flows accelerated even more rapidly, increasing trade dependency ratios. Clinton also (at least initially) sought to revive the liberal emphasis on promoting human rights and democratic values, an emphasis that coexisted uneasily with (and ultimately succumbed to) his attempt to correlate policy with American economic interests. Having set forth these broad thematic guidelines and priorities, Clinton seemed content to preside over a largely reactive, crisis-management foreign policy, which for the most part was in fact successful at avoiding major blunders.

And George W. Bush, to judge from his campaign rhetoric, seemed to be cut from the same cloth: another former southern governor with little foreign policy experience who made only one campaign speech specifically addressed to this issue. Indeed, in the presidential debates he called for a more "humble" American role in the world, although this turned out not to be an accurate harbinger of his agenda. His central criticism of Clinton was that the globalization president, in haphazard pursuit of vaguely defined universal values such as democratization, had lost sight of the national interest. As Bush foreign policy adviser Condoleezza Rice put it, the Clinton national security team had subordinated American national interests to "the interests of an illusory international community," clinging to a "belief that the support of

many states—or even better, of institutions like the UN—is essential to the legitimate exercise of power.” The Bush people charged that American military power had been dissipated in “nation building” efforts, to the detriment of military readiness and morale. As Rice put it in 2000, U.S. troops had no business escorting children to kindergarten. Republicans, in contrast to the Clinton Democrats, understood that “multilateral agreements and institutions should not be ends in themselves.”<sup>4</sup> Promising a new start after the “squandered opportunity” of the Clinton years, Bush called for a “distinctive American internationalism,” meaning in effect that the United States should act only when its own vital interests were at stake.

Beyond campaign rhetoric, Republican foreign policy derives from a legacy of the values, management style, and strategic preferences of George W. Bush’s GOP predecessors. Most important of these were of course Bush *père* and the man who brought the father to the threshold of the presidency, Ronald Reagan. Although George Herbert Walker Bush was widely assumed to be lacking the “vision thing,” his notion of a “new world order” was surely no less visionary than Wilson’s “world [made] safe for democracy” or Franklin Roosevelt’s “four freedoms.” And Bush *fils* may be said to have inherited the core assumptions of that vision: that if realistically possible the U.S. should make the world safe from “aggression” and that, as his father had discovered, the dissolution of the Soviet Union had greatly enlarged what was realistically possible. But, impressed no doubt by the fact that the legendary Reagan (unlike his father) had won a landslide reelection, Bush 43 modeled himself even more closely after Reagan—for example, in his firm commitment to cut taxes or in his willingness to increase defense spending despite temporary incurrence of deficit budgets.

A more concrete incarnation of the Republican foreign policy legacy is in the realm of personnel. The GOP boasts a full stable of experienced area specialists and foreign policy intellectuals—led by Dick Cheney, Donald Rumsfeld, Colin Powell, Condoleezza Rice, Paul Wolfowitz, Richard Armitage, and Robert Zoellick—whom Bush appointed to his

<sup>4</sup> Condoleezza Rice, “Promoting the National Interest,” *Foreign Affairs* 79 (January–February 2000), 61. This was not strictly speaking accurate, of course. The emphasis on multilateralism originated in the “new world order” rhetoric of Bush *père*; Clinton then expanded upon it. In the early 1990s Washington prodded the UN to take on numerous peacekeeping mandates, then neglected to provide adequate political, financial, or military support but nonetheless held the organization responsible for any ensuing failures. By Clinton’s second term his team had adopted a “multilateral when we can, unilateral when we must” guideline, refusing to ratify (or adhere to) the Ottawa convention forbidding production or use of land mines, for example, because it would jeopardize the defense of South Korea. The Clinton administration also continued research on national missile defense (NMD), though at a lower funding level than the Bush administration, despite apprehensions that it would violate the Anti-Ballistic Missile (ABM) Treaty.

national security team. Hailing from various administrations from Nixon to Bush *père*, all of these pundits shared a broad “realist” outlook on foreign affairs, though they soon aligned along two distinct, contending approaches: hawks (Cheney, Rumsfeld, and Wolfowitz) and moderates (Powell, Rice, Zoellick). Evidence soon surfaced of crosscutting competition between these two orientations,<sup>5</sup> though it never reached the notoriety of previous foreign policy splits (for example, Kissinger versus Rogers, Brzezinski versus Vance, or Shultz versus Weinberger).<sup>6</sup>

The confluence of campaign rhetoric and the GOP foreign policy legacy resulted in what the new administration dubbed “the new realism,” at the heart of which is national security. The meaning of that term becomes clearer when juxtaposed to what it is not. First, national security is not based on broad values such as *democracy* or *freedom*. It rests squarely on material *interests*. As a candidate, Bush promised to keep moralism out of foreign policy, thus for the first time since Richard Nixon, stripping Republican foreign policy of any transcendental ideological legitimation. This marked a contrast with either Reagan, who (following Carter) enshrined democratic values in his crusade against the “evil empire,” or his father, who embedded them in his new world order.<sup>7</sup> The first year of the Bush administration saw no important statements on the importance of promoting democracy abroad, for example.<sup>8</sup> Ongoing efforts to promote such values were subjected to review in terms of their contribution to American national interests, rather than the other way around. Those officials officially responsible for value promotion (for example, Lorne Craner, assistant secretary of state for democracy, human rights, and labor) seem to have shifted their focus to religious persecution, with the evident objective of appealing to the religious right.

Second, if the emphasis on national interest did not necessarily preclude multilateral concerns, it certainly relegated them to lower priority, as evidenced by the abrupt repudiation of the Kyoto Protocol limiting

<sup>5</sup> Thus Powell said he would support Kim Dae Jong’s sunshine policy toward North Korea, only to hear Bush criticize that policy; Powell said he would support the European Union’s plan to set up a rapid-reaction force, while Rumsfeld expressed apprehension that this might occur at the expense of NATO; Powell sought to articulate a new set of sanctions against Iraq around which the allies could unite, while Wolfowitz openly dismissed any Iraqi sanctions regime. *Economist*, March 31, 2001.

<sup>6</sup> Powell, Rumsfeld, and Rice have lunch weekly and a daily teleconference call at 7:15 a.m.; *Economist* (fn. 5).

<sup>7</sup> See Eric Miller and Steve Yetiv, “The New World Order in Theory and Practice: The Bush Administration’s Worldview in Transition,” *Presidential Studies Quarterly* 31 (March 2001), 56ff.

<sup>8</sup> Elizabeth Cohen, “Bush ‘Realists’ Say Goodbye to Democracy Promotion,” *NACLA Report on the Americas* 35 (November–December 2001), 39–45.

world greenhouse gas emissions—done without offering an alternative and without consulting allies. Likewise destined for history's dustbin were the Comprehensive Test Ban Treaty, the International Criminal Court, and the enforcement provisions of the Biological Weapons Convention. Third, national security was concerned not with economics but with strategy. Thus the National Economic Council, given cabinet-level representation under Clinton, was subordinated to the National Security Council, which defined its role in terms of traditional interstate relations. What did strategy mean? First, it meant the "Powell doctrine": no U.S. troops would be sent abroad unless vital U.S. interests were at risk, the objectives were clearly defined and delimited, and overwhelming force could be used to win big stakes (hence also known as the doctrine of overwhelming force). The message was clear: the U.S. must engage only in "big" wars where its comparative advantage could be fully employed in knockout blows, and it must not dissipate its strength in small wars or in peacekeeping qua nation-building projects. Thus when civil war broke out in Macedonia, American troops did not intervene; and Clinton's ongoing shuttle diplomacy to settle the Palestinian intifada and the north-south Korean talks to forestall the construction of weapons of mass destruction (WMDs) abruptly ran aground with the new administration. Strategy also meant national missile defense, which was not necessarily conceived in purely defensive terms but as a way to permit intervention wherever American interests were at stake without fear of nuclear counterattack. Finally, national security implied a sharpened friend/foe distinction, long a hallmark of realist thinking, as construed by the Bush people to mean a focus on rebuilding its alliance network with historically aligned or ideologically like-minded states (for example, Japan, Taiwan, India) at the expense of relations with erstwhile adversaries (for example, North Korea, Iran, Iraq).

The world is all too familiar with the nature of our independent variable. In an act of audacity, precision, and imagination, a well-disciplined team of fanatical assassins was able to inflict, with minimal capital investment, more casualties on the American homeland than the Japanese Imperial Navy at Pearl Harbor. This was no missile attack, nor was there any high-tech weaponry to vindicate the priorities of the Bush defense budget. Thus it might have been interpreted as a conceptual challenge to the new realism. Yet the Bush response deftly reinterpreted the nature of the challenge to fit its own preconceived response set. First, by defining the attacks as acts of war (rather than, say, international crimes) and declaring that the United States was "at war" with

the entire phenomenon of global terrorism, Bush drew a line in the sand, underscoring the friend/foe distinction and justifying a more extreme response. Although the action had apparently been organized by a stateless network, by announcing that any state that harbored terrorists would be treated as terrorist and by introducing the syllogism that anyone who was not “for us” was “against us” (aka the Bush Doctrine), the administration was able to nationalize the challenge, permitting the application of the American military arsenal in a “big war” against a small, poor, and technologically backward country.

This entailed making two significant adjustments in the new realism. First, overcoming its proclivity for unilateralism, the administration resorted to traditional diplomacy to mobilize a variegated multilateral coalition (including India, Pakistan, Russia, and China, as well as most surrounding Muslim countries) to support this war effort, though this was what State Department policy planning chief Richard Haass called “à la carte multilateralism,” limited strictly to the task at hand (also temporary, as demonstrated by the December 2001 U.S. withdrawal from the Anti-Ballistic Missile Treaty). Second, the administration abandoned its value-free realism for a more impassioned and moralistic rhetoric that would more adequately exploit the widespread sense of outrage in the wake of the attacks (for example, the “axis of evil” metaphor articulated in Bush’s January 2002 State of the Union address).

The resulting war was quite asymmetrical, resulting in an unexpectedly swift and crushing victory over the Afghan Taliban regime, though it failed to capture or verify the deaths of most of the top terrorist leaders. Thanks to a preexisting battle-tested Afghan opposition force on site, the U.S. war effort could be limited to air cover and special operations, with minimal casualties. This swift decision ironically enhanced the already preeminent power and status of the United States in world affairs and the domestic popularity of the Bush administration, stimulating ambitious antiterrorist efforts along a broad front. Indeed, Bush indicated that the campaign against terrorism would continue indefinitely, playing the same defining role in American foreign policy as had anticommunism during the cold war. The first step in this campaign having been achieved with the fall of the Taliban, the administration next confronted the problem of defining the future direction of the campaign. Two alternatives presented themselves: (1) serial extension of the Afghan “war” model, deploying overwhelming armed force against other imputed national havens of terrorism; and (2) a shift of the operational metaphor from “war” to “crime,” focusing on the pursuit

and apprehension of the terrorists themselves rather than on punishing host regimes. The former approach has the advantage of utilizing the military superiority of the world's only superpower, with the awesome demonstration effect of a high-tech blitzkrieg. But there were at least two drawbacks. First, target selection becomes increasingly controversial, as illustrated by the current debate about invading Iraq. What are the criteria? Does the decision involve an imputation of target motives (and if so, how?), or is it based exclusively on capabilities? Second, the general implications of the Bush doctrine of preemption used to justify an attack on a country that has not yet committed a terrorist act are problematic. Does it give the Chinese license to attack Taiwan preemptively, or India to attack Pakistan, or vice versa?<sup>9</sup> The shift from war to policing is less controversial with regard to target selection but also less demonstrably effective. And it presents the additional disadvantage of seeming to justify suppression on the part of incumbent regimes of all stripes, enabling them to crack down on domestic dissent indiscriminately.

#### ANTEBELLUM AMERICAN ASIA POLICY AND THE REGIONAL IMPACT OF THE ATTACKS

In contrast to the open-textured, commercially focused Clinton Asia policy, the Bush administration upon taking office in January 2001 lost no time in setting forth clear military-strategic priorities, underscoring its differences with the old regime. That meant sorting relevant countries in the region into the categories of friends and foes. China was implicitly suspect, in accordance with a Republican critique of Clinton's alleged softness toward China that coincided with Clinton's 1996 reelection campaign, including allegations of fund-raising scandals with Chinese connections in 1997–98; the case of Chinese-American physicist Wen-ho Lee, who was accused of selling missile technology to the PRC; the 1998 Cox Report, alleging inadequate security resulting in rampant Chinese espionage, and so forth. In his campaign rhetoric Bush mocked any claim to a "strategic partnership" with China as naive, characterizing the relationship as "strategic competition." And during the first eight months of the new administration, this heightened competitiveness aggravated a series of incidents. In mid-February

<sup>9</sup>The assumptions of deterrence theory have been challenged by Bush administration defense planners from two directions: first, by threatening to supplant deterrence with defense, in the various plans for national and theater missile defense; and second, in proposing to supplant deterrence with preemption, based on the assumption that some conceivable attackers cannot be deterred by the prospect of counterattack (as, for example, if Iraq were to provide weapons of mass destruction to al-Qaeda operatives).

2001, President Bush announced that Washington would again sponsor a UN resolution condemning China's record on human rights. It was again defeated, with the upshot that the U.S. was even voted off the Human Rights Commission. (Thus in 2002, for the first time in over ten years, there was no criticism of Chinese human rights abuses within the commission). When an American EP-3 surveillance aircraft collided with a pursuing Chinese F-8 fighter off the China coast on April 1, 2001, killing the Chinese pilot and forcing the EP-3 to make an emergency landing on Hainan Island, Bush reacted the following day with a "firm" demand for "prompt and safe" return of the crew and aircraft, refusing to apologize. The offended Chinese delayed the release of the crew for eleven days and allowed the aircraft to be flown back in pieces only months later, after thorough inspection. On April 24 the administration announced a U.S. \$4 billion package of arms sales to Taiwan, the largest such increase since the elder Bush had sold Taiwan 150 F-16 supersonic interceptors in 1992. In May, Bush hosted the Dalai Lama in the White House, according the Tibetan leader an honor Clinton had always skirted by diplomatic subterfuge.

Under Bush, the United States would shift its loyalties back to the time-tested web of bilateral alliances. At the core of U.S. Asia policy would be the Japanese-American Strategic Alliance, as presaged in the October 2000 Nye-Armitage report. Whereas the troop commitment to the region remains provisionally untouched at one hundred thousand, Secretary of Defense Donald Rumsfeld, based on a strategic review conducted during his first seven months in office, announced an ambitious plan to shift the focus of the American military from Europe to Asia. As stated in the Quadrennial Defense Review (QDR) issued by the Department of Defense in late September 2001: "The possibility exists that a military competitor with a formidable resource base will emerge in the region [East Asia and the East Asian littoral]." Dividing East Asia into Northeast Asia and the littoral states in the southeast, the report refers to these as areas of "enduring" national interest to the U.S. that no foreign power can be permitted to dominate. The thinking was that while North Korea was the greatest current security challenge to the region, China was the emerging future threat. These plans are projected to involve an immediate expansion of forces at Guam, the future deployment of additional aircraft carriers in the Indian and Western Pacific Oceans, the development of more long-distance bombers, and other projects. The thinking was that the time for raising the American military profile in Asia is now, while China is still too weak to respond, thereby preempting a Chinese advance through Taiwan and

the South China Sea. Also in the offing before the terrorist attack was a revival of military cooperation with India, building on the good will of Clinton's spring 2000 visit. Finally, the Bush administration took a much more supportive stance toward the defense of Taiwan, moving from expanded weapons sales (making Taiwan one of the world's biggest arms importers) to growing military-to-military consultation and coordination.<sup>10</sup> Certainly what has not been publicly repeated were Clinton's "three nos" (no to Taiwan independence, to two Chinas or to one China and one Taiwan, or to Taiwan's admission to any international organization for which statehood is required), which Beijing had promoted to contain Taipei's diplomatic sallies in pursuit of international "space." And the new administration has upgraded Taipei's informal diplomatic standing, for example, permitting stopovers by President Chen Shui-bian in Washington and Houston during his visit to Taiwan's Central American allies (in contrast to Clinton's 1995 attempt to prevent Lee Teng-hui from setting foot on American soil). Finally, with his firm assertions that he "would do everything it took to help Taiwan defend itself," he seemed to have abandoned the "strategic ambiguity" used by previous administrations as leverage in mediating the protracted Taiwan-China confrontation—or shifted the ambiguity from Taiwan to U.S. China policy.

Although the cold war ended less neatly in Asia than in Europe, the preliminary impact of its "end" had been a major upsurge of transnational trade and investment across previous ideological boundaries and a concurrent attempt in the political arena (as yet less dramatically successful) to ameliorate political polarization. Thus in the 1990s China normalized relations with all remaining ASEAN states, ASEAN nearly doubled in size to embrace Burma and the communist (or ex-communist) descendants of French Indochina, Beijing and Taipei set up parallel unofficial apparatuses to permit negotiation without loss of diplomatic face, and South Korea moved from a Nordpolitik designed to surround and isolate North Korea to a sunshine policy committed to north-south détente. The antebellum Bush Asia policy threatened to reverse many of these trends in the political arena, however, reviving

<sup>10</sup> Whereas the administration granted Taiwan a sizable increase in arms purchases (four Knox-class destroyers, twelve P-3C "Orion" antisubmarine surveillance aircraft), they did not give them all they asked for. Thus they deferred the sale of Arleigh Burke-class destroyers with Aegis radar, which would have provided stable platforms for tactical antimissile defense, and withheld third-generation Patriot III missiles, which would also have contributed to theater missile defense (TMD). The provision of diesel submarines represents an escalation in kind, as the United States has never before countenanced the sale of what could be interpreted as offensive weaponry—but their configuration will be as hunter-killer subs to be deployed against the much larger PRC submarine fleet (including four advanced Kilo-class vessels recently purchased from Russia) in the event of a PRC blockade of the island.

dormant insecurities and contributing to an emerging standoff in Northeast Asia that in some ways echoed the cold war. Whereas the polarization (and consequent Taiwan-American rapprochement) was welcomed in Taiwan, Kim Dae Jung in South Korea, who had received the Nobel Peace Prize for his opening to the North, resisted the new line. Before Kim's trip to the United States in March 2001, Bush administration officials privately asked him to offer a public statement of support for missile defense cooperation in Korea. Kim not only refused but instead issued a joint statement with visiting Russian president Vladimir Putin reflecting their shared "concern" with U.S. missile defense plans and their support for the 1972 ABM treaty. To the Koreans, whose capital is about thirty-five miles from the demilitarized zone (three minutes by rocket), where most of the DPRK's well-equipped 1.2-million-man army is stationed, missile defense made no sense. The 1994 Agreed Framework, by which Washington offered heavy fuel oil and help building nuclear reactors in exchange for Pyongyang's promise to shut down its nuclear weapons program, seemed to be working, and after a groundbreaking North-South summit in June 2000 the two Koreas appeared to be heading toward some sort of accommodation. During Kim's Washington trip, although Secretary of State Powell had just announced his intention to resume negotiations with the North where the Clinton administration left off, President Bush publicly scorned the sunshine policy and expressed skepticism about Pyongyang's peaceful intentions. Pyongyang responded by freezing talks and canceling the last set of North-South family reunions. Yet three months later a comprehensive policy review authorized by the White House recommended that Washington hold unconditional talks with Pyongyang on a wide range of issues. Meanwhile the administration prepared to deploy PAC-3 missiles on land and Aegis destroyers off the Korean coast, in effect proceeding with the first stages of theater missile defense unilaterally. Placing North Korea in the axis of evil (to which the DPRK responded in kind, branding the U.S. the "empire of [the] devil") may have foreclosed any immediate possibility of serious dialogue between Washington and Pyongyang.

If the impact of the new administration's Asia policy was to exacerbate regional cleavages, the overall impact of September 11 has been to alleviate them. The immediate response to news of the attacks among Bush's regional counterparts was a spontaneous wave of shock and sympathy for the victims, often expressed in telephone calls or telegrams to the White House. This was followed by a recognition of analogous vulnerability, contributing to a widespread initial willingness

to join the “global coalition against terrorism,” particularly after the UN and a host of other international organizations had legitimated an energetic response.<sup>11</sup> Given the marked cultural differences between Southeast and Northeast Asia (for example, Islam is the majority religion in three Southeast Asian countries and a strong minority in three others, but of much more limited impact in the north), these efforts took quite different form.

In Southeast Asia conditions since the early 1990s had become increasingly receptive to what could be consensually defined as “terrorism” in several countries, but there are no “Afghanistans” or states prepared to risk U.S. attack by providing sanctuary for wanted terrorists. Most of these states are formal democracies, and the dictatorships (such as Burma), even more than the democracies, are obsessed with law and order. Several anti-Rangoon groups, such as the Vigorous Burmese Student Warriors and God’s Army, conducted violent acts of protest against the Myanmar junta, as in the October 1999 capture of the Myanmar embassy in Bangkok, involving thirty-two hostages. Three months later members of the same groups held some two hundred people hostage in a Thai hospital three days, and in northeastern Burma the NARCO-terrorist United Wa State Army (UWSA) plies its drug trade. In Thailand the Sri Lankan Tamil Tigers may have established a base along the southern border. Indonesia is the world’s most populous Islamic state (with the fourth largest population in the world), but although the populace has become more religious of late it has never been associated with radical Islam. Though not really democratic until 1998, it has a long and consistent tradition of religious moderation and tolerance based upon Sukarno’s 1955 *pancasila* or “five principles” (monotheism, nationalism, humanitarianism, social justice, and democracy), rather than on that of Islamic law (*sharia*). Yet in December 2001 Jakarta officially admitted that al-Qaeda cells had been active on its territory, and on August 2, 2002, accepted U.S.\$50 million in U.S. aid to strengthen the Indonesian police and military. In January 2002 Singapore disclosed it had detained thirteen members of Jemaah Islamiya (JI), a militant sect with cells in Malaysia and Indonesia, when they tried to buy twenty-one tons of ammonium nitrate to make truck

<sup>11</sup> The UN General Assembly passed a resolution calling generally for the suppression of international terrorism, while the Security Council’s resolution called for strict sanctions against the Taliban, giving them thirty days to close terrorist training camps and extradite bin Laden (but neither resolution specifically endorsed an attack on Afghanistan). Making similar declarations were NATO, the European Union, the Organization of American States, ASEAN, the Organization of African Union, and ANZUS—which mobilized for the first time in its history; Australia and New Zealand even sent ground troops to Afghanistan. When the U.S. launched Operation Enduring Freedom against the Taliban in early October 2001, no fewer than 136 countries offered a range of military assistance to the campaign.

bombs; they also found handwritten notes in Arabic traced to the rubble of the home of an al-Qaeda leader in Afghanistan; JI cells had been targeting shuttle buses and U.S. naval vessels transiting Singapore, as well as U.S. embassy facilities. JI's leader, Abu Bakar Bashir, an Indonesian cleric living in Java, has ties to al-Qaeda. Bashir was finally detained by Indonesian police in connection with the October 12, 2002, bombing in Bali, which killed 191 people. In Malaysia, there is a rivalry between the hegemonic United Malay National Organization (UMNO), led by Mahathir, and the Parti Islam SeMalaysia (PAS), a conservative (but nonmilitant) Islamic party, but Malaysia has also detained fifty members of the *Kumpulan Mujahideen Malaysia* (KMM) and is attempting to trace two hundred other members; the group endorses violence to install an Islamist state including Indonesia, Malaysia, and the southern Philippines.

The current leader of Indonesia's fragile young democracy, Megawati Sukarnoputri, was the first leader of a Muslim state to visit Washington after September 11. She offered her support (though she failed to get Bush to brand the Aceh separatists as terrorists), but the American bombing campaign against Afghanistan has not been popular domestically and she has criticized the U.S. for killing innocent civilians. The Philippines is believed to have been al-Qaeda's regional center. Bin Laden's brother-in-law, Muhammed Jamal Khalifa, arrived in the country in the early 1990s as al-Qaeda's representative in East Asia; after Khalifa's arrest in Saudi Arabia after September 11, he was replaced by Ahmad Fauzi, alias Abdul al-Hakim. The Moro National Liberation Front (MNLF), fighting for an independent Muslim state in the southern Philippines, had been using terrorist tactics well before the end of the cold war, and its offshoot, the Moro Islamic Liberation Front (MILF), has reportedly accepted funding from al-Qaeda. In 1995 the radical southern Muslim group Abu Sayyaf was founded. This more violent offshoot of the MILF, whose name means "bearer of the sword," grew swiftly from two hundred members in 1997 to about twelve hundred in 2001; they captured Catholic villages, raided resorts, took tourists hostage, and killed pursuing government troops. Many MILF and Abu Sayyaf leaders—including Sayyaf founder Abdurajak Janjalani—reportedly trained in terrorist camps in Afghanistan. Fathur Rohman al-Ghozi, who studied for six years with Abu Bakar in Java, was an al-Qaeda operative and bomb maker for militants in Singapore. His arrest in Manila on January 15, 2002, after the explosion of five bombs there killed twenty-two and injured eighty (on December 30, 2000), led to the seizure of more than a ton of TNT, plus assorted

weapons (al-Ghozi was also linked to the abortive December 2001 Singapore bomb plot). There has also been a revival of the Communist Party in the Philippines, mobilizing the poor peasantry against rich landlords and urbanites in classic Maoist guerrilla warfare.

Northeast Asia has been less virulently infested by terrorism. These more powerful states, which do not have Muslim majorities (or powerful minorities), have been able to exert more effective control over their populations. In Japan, Aum Shinrikyo, the cult that launched the March 1995 sarin attack on the Tokyo subway, has survived under new leadership and rebuilt its financial architecture, but it has renounced violence. Since the collapse of the USSR, Muslim radicals have become politically active not only in Chechnya but also in the former Soviet republics of Central Asia. This was particularly striking in Uzbekistan and Tajikistan, where radicals conducted an insurgency against the indigenous dictatorships, with some assistance from al-Qaeda forces. The Eastern Turkestan Islamic Movement (ETIM) launched by dissident Uighurs in China's Xinjiang province, which the PRC authorities hold responsible for 200 terrorist attacks from 1990 to 2001, resulting in 162 deaths and 440 injuries, is also alleged to have ties to al-Qaeda. Since September 11 Washington has withheld criticism of the Russian suppression of Chechens and the Chinese suppression of Uighurs for human rights violations, even putting the ETIM on the State Department's terrorist watch list. North Korea, though involved in several celebrated incidents in the 1980s under the leadership of erstwhile secret police chief Kim Jung Il (such as the 1983 Rangoon bombing of President Chun Doo Hwan's traveling party, killing seventeen), has been implicated in no terrorist incidents since the bombing of KAL flight 858 in October 1987, though it has allegedly engaged in stockpiling some five thousand tons of chemical and biological weapons and enough plutonium to build one or two crude nuclear weapons. It is also known to be engaged in the manufacture, testing, and export of increasingly advanced missile delivery systems.

There are several conceivable reasons for East Asia's suddenly heightened susceptibility to terrorism. Whereas before 1997 rapid East Asian growth rates helped to assuage protest (from the 1960s until 1997 the Pacific Rim was the fastest-growing region in the world—for example, between 1990 and 1996 the total value of Thailand's manufactured exports increased 13 percent per annum), the Asian financial crisis (1997–98) not only cut growth but also increased income inequality. In the early 1980s the average income of the top 10 percent of Thailand's households was seventeen times that of the bottom 10 per-

cent; after the crisis the gap between top and bottom had widened to a difference of more than thirty-seven times. In Indonesia, most severely afflicted by the crisis, official reports showed unemployment rates of 24 percent nationwide, but local rates in outlying areas such as Aceh were much higher. In the Philippines the heavily Muslim southern island of Mindanao has 15 percent of the country's poorest provinces and its lowest life expectancy. In the process of modernization many of these countries have experienced more or less liberalization, but this has made it more difficult to maintain order; the process of globalization has only metastasized this problem. Finally, the end of the cold war and the attendant collapse of domestic demand on the Soviet (and American) military-industrial complexes have resulted in a surplus of exportable arms, giving terrorists access to far more sophisticated and destructive weaponry.<sup>12</sup>

Though President Bush identified Southeast Asia as "the second front in the war against terrorism," the administration has thus far limited its response to classic military counterinsurgency efforts. Some twelve hundred Special Forces troops and some U.S.\$100 million in military equipment were sent to the southern islands of the Philippines on a six-month mission to help fight Abu Sayyaf that thus far has been limited to an advisory, noncombat role.<sup>13</sup> This effort, which polls indicate has been welcomed by the indigenous populace, is facilitated by the Philippine agreement to allow U.S. use of Philippine airspace and access to the former Subic and Clark air and naval bases. Although Congress passed a law against military aid to Indonesia during the ultimately unsuccessful attempt to suppress the East Timor liberation movement, it responded readily when Bush promised Jakarta more than \$700 million to support antiterrorist efforts there, including regular military contact and arms sales. In response to Karimov's provision of basing rights in Uzbekistan from which American troops can launch offensive strikes into Afghanistan, Congress appropriated some \$125 million to Uzbekistan for weapons and other military purchases. Kyrgyzstan has reportedly approved a U.S. request to build a new air base only two hundred miles from the Chinese border. Whereas none of these aid projects has been aimed at the underlying causes of terror-

<sup>12</sup> Joshua Kurlantzick, "Fear Moves East: Terror Targets the Pacific Rim," *Washington Quarterly* (Winter 2001), 19ff.

<sup>13</sup> Though this engagement was intentionally limited at the outset, there was speculation that it might become a standing commitment. Though the troops were scheduled to depart on July 31, 2002, Philippine President Arroyo reportedly planned to extend the stay and seek a wider deployment for joint operations; see *Sunday Times* (Singapore), June 21, 2002. But the American detachment was withdrawn on schedule on July 31, 2002. The 1999 Visiting Forces Agreement does sanction ongoing cooperation, however, and some 250 special forces troops have remained in the southern Philippines, with plans to augment them further in January 2003; *New York Times*, December 1, 2002.

ism—namely, weak states, corrupt and oppressive militaries, and deep pockets of unemployment and poverty—in Afghanistan itself a “new Marshall Plan” has been announced that may conceivably remedy (or at least address) some of these structural problems. So far, however, the funding appears to have been inadequate.

Whereas in Southeast Asia the American war on terrorism seems to have been increasingly resented over time, as a unilateral intrusion of American grievances into internal politics tending only to exacerbate cleavages, in Northeast Asia the campaign seems to have been greeted as an opportunity for political free riding (with the exception of the two Koreas). We have already noted that China and Russia took the war on terrorism as license to intensify suppression of their own Muslim insurgencies in Xinjiang and Chechnya. Japan responded by expanding its defense capabilities, making the first deployment of Japanese self-defense forces outside the region since World War II. Within two months of September 11, the Diet had passed the Anti-Terrorism Special Measures Law and revised the UN Peacekeeping Operations Cooperation Law of 1992, making it possible for SDF forces to engage in activities in noncombat areas far from the area in which self-defense would be applicable. This more active role is in part a response to Japan’s embarrassing failure to participate in the Gulf War, except by writing a check (U.S.\$13 billion), but it is also part of a general trend toward a more muscular role (including the subsequent sinking of a DPRK spy ship off Japanese waters in December 2001) that harmonizes well with U.S. strategic plans but alarms Japan’s neighbors, notably China and Korea. Taiwan, too, has not only purchased all the weapons offered by the U.S. but has also eagerly grasped the chance for expanded military cooperation. From the American perspective this is the delayed upshot of a study initiated in 1997, in the wake of the demonstration of PRC offensive weaponry during the 1995–96 Taiwan Strait crisis. The construction of missiles along the coast facing Taiwan (now numbered at 300–350) has continued apace and is projected to reach 600 by 2005. Since the EP3 incident, the PRC has opted to keep a relatively low profile in response to the growing Taiwan-American strategic relationship, for at least three reasons. First, Beijing is cognizant that conspicuous threats have a backlash effect on Taiwanese public opinion and on those political forces in Taiwan that might otherwise be expected to cooperate. Second, after a prematurely optimistic vision of international multipolarity and the Chinese rise to great power status in the early 1990s, Chinese strategic analysts shifted in the late 1990s to a more sober appreciation of the strength and durability of American

hegemony, seeing no purpose in provoking a confrontation prematurely.<sup>14</sup> Third, amid the uncertainty accompanying the transition to an anticipated new leadership at the Sixteenth Party Congress in November 2002, the leadership wishes to avoid foreign policy crises and cultivate smooth relations with those powers in a position to roil the waters.

September 11 offered both Beijing and Moscow the chance to improve relations with an American regime perceived as dangerously hostile. Putin was first to call (the same day) to offer his condolences and support to Bush, and though the eager response of the Central Asian Republics to the chance to win American support against their own terrorists may have led him to concede more than he intended, he followed through by endorsing overflight and basing rights in these former Soviet republics and by sharing Soviet intelligence garnered during the years of war in Afghanistan. Jiang Zemin called the next day to offer China's support, and although it was proffered cautiously and conditionally, it was appreciated in Washington. China, after all, had opposed and roundly criticized the American intervention in Kosovo in 1999 (well before the Belgrade embassy bombing), complicating not only the Balkan situation but also relations with North Korea. Thus in October 2001 Bush met with Jiang while attending the Shanghai OPEC summit (though the actual meeting was reportedly quite perfunctory), and in February 2002 he made a brief but amicable visit to Beijing in the context of his tour of several Asian capitals. Washington appreciated Beijing's support of Pakistan, its silent tolerance of the augmented U.S. military presence in the Central Asian republics on China's western borders, and its relaying an invitation to North Korea to negotiate (though the latter seems to have fallen on deaf ears). Meanwhile the "strategic competitor" campaign rhetoric underwent a gradual transformation to "We view China as a partner on some issues and a competitor on others" or "China is a competitor and potential regional rival, but also a trading partner willing to cooperate in areas such as Korea, where our strategic interests intersect." Indeed, there was some movement to simply drop the formulation altogether. As Secretary of State Powell put it in July 2001: "The relationship is so complex, with so many different elements to it, that it's probably wiser not to capture it with a single word or single term or cliché." In Shanghai, President Bush said simply: "America wants a constructive relationship with China."<sup>15</sup> Sep-

<sup>14</sup> See Yong Deng, "Hegemon on the Offensive: Chinese Perspectives on U.S. Global Strategy," *Political Science Quarterly* 116 (Fall 2001).

<sup>15</sup> David M. Lampton, "Small Mercies: China and America after 9/11," *National Interest*, no. 66 (Winter 2001).

tember 11 has meant that both administrations perceive an interest in cultivating at least the appearance of a cordial relationship, with both aware of the sizable risk in letting the fog of suspicion turn every incident into a crisis.

### CONCLUSIONS

The Bush administration's war on terrorism has merged elements of two approaches: waging war against those countries defined as harboring terrorists (what one might call burning down the house to kill the cockroaches) and using police and intelligence techniques in pursuit of the terrorists themselves ("fumigation," to continue the metaphor). The choice of technique depends in the first place on the response of the host country to demands for cooperation and in the second place on a realistic contingent assessment of the risks of loss or victory—and on the relevance of that victory, finally, to the elimination of terrorism. Thus the campaign against the Taliban resulted in total victory in the first sense but only partial victory in the second, for example, as the leadership of the terrorist network has remained at large. The campaign as international police dragnet has achieved quite effective results, as far as can be determined from the limited evidence available, at the cost of some regrettable abridgment of civil liberties. Though more costly in blood and treasure, antiterrorism as total war is demonstrably more successful from a public relations perspective, not only in visibly destroying an averred opponent but conceivably in deterring would-be emulators. In view of the controversy over target selection, antiterrorism as preemptive war may be most readily compatible with unilateral realpolitik, whereas antiterrorism as police work lends itself more readily to international cooperative regimes. It is too early to say which approach is the more effective (and in any case that determination will finally be made by the mass electorate, not by social scientists).

Leaving the leadership impaled on the horns of this dilemma, we return to the question posed at the outset: does September 11 mark a new era in world politics or only a temporary interruption in business as usual? If this is a new era, that should register on the dominant trends of the day in the international arena. To gauge more clearly the impact of September 11, let us now return to three key features of current East Asian politics: globalism, regionalism, and the balance of power.

#### GLOBALISM

Globalization has a long and relatively successful history in East Asia, where opening to the outside world (at least in terms of exports) has

been avidly pursued as a route to economic prosperity. The heyday of globalization for the region was the early 1990s; the share of global trade for which East Asia (excluding Japan) accounted increased from 9 to 15 percent between 1980 and 1991, while the share of the developed countries slipped from 72 to 63 percent.<sup>16</sup> The region became the poster child of the World Bank, whose 1993 publication, *The East Asian Miracle*, told the story of how eight nations—Japan, Korea, Hong Kong, Singapore, Taiwan, Indonesia, Malaysia, and Thailand—had since 1960 grown faster than all other regions of the world, accelerating to a rate nearly three times that of the world economy as a whole between 1980 and 1995.<sup>17</sup> Take, for example, the Republic of Korea. From its annual per capita industrial output of U.S. \$8 in the mid-1950s Korea rose to become by the mid-1990s the world's fifth-largest manufacturer of automobiles, largest producer of DRAM microchips, and home of the world's most efficient steel industry, with a per capita income of about \$10,000. The rapid and sweeping financial liberalization that began in the late 1980s led to a massive influx of foreign capital that stimulated additional investment. Whereas in 1990 the inflow of FDI into less developed countries was \$44 billion, by 1996 it had reached \$244 billion; from 1990 to 1997 cumulative inflows totaled \$938 billion.<sup>18</sup> And by 1995 East Asia was receiving two-thirds of total FDI flowing to the developing countries, which was increasing at 25–30 percent per annum during the period 1992–96.

When the Asian financial crisis struck suddenly and unexpectedly in the summer of 1997, it demonstrated, however, that what globalization can provide it can equally swiftly take away. Having weakened defenses by putting financial liberalization before financial reform, the precipitating factor seems to have been the fall of export growth: in 1995–96 the rate of export growth plunged from 26.3 to 8.4 percent for South Korea, from 20.1 to 10.1 percent for Malaysia, and from 24.2 to 3.3 percent for Thailand.<sup>19</sup> The decreasing competitiveness of exports

<sup>16</sup> David McNally, "Globalization on Trial," *Monthly Review* 50 (September 1998).

<sup>17</sup> World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (New York: Oxford University Press, 1993).

<sup>18</sup> See John Ikenberry, *Reasons of State: Oil Politics and the Capacities of American Government* (Ithaca, N.Y.: Cornell University Press, 1988); also Nobuhiro Hiwatari, "The Domestic Sources of U.S.–Japan Economic Relations" (Paper presented at the annual meeting of the American Political Science Association, San Francisco, August 1996).

<sup>19</sup> This decline occurred for a number of reasons. Southeast Asian firms had saturated many of their traditional market sectors, such as clothing, footwear, and household electronics, and were facing increasing competition from other low-wage producers, such as China. Devaluation of China's RMB (by 50 percent) in 1994 helped cause the American dollar to appreciate against the yen, and many of the Southeast Asian economies had fixed exchange rates pegged to the dollar, so they found themselves priced out of their export markets. For all these reasons, East Asian exports increased by only 4.3 percent in 1996, after a growth of 20 percent in 1994 and 22 percent in 1995.

stanching the influx of foreign capital needed to service dollar-denominated short-term loans and current account deficits, and a number of firms were forced into bankruptcy. Foreign capital was withdrawn in panic, currencies were devalued, and stock markets plunged: in 1997 there was a net outflow of \$12 billion, with an additional \$4 billion moving out in 1998, nearly 11 percent of the GDP of the stricken countries. In terms of the value of listed companies' shares on the stock market, Southeast Asia's market capitalization plunged from \$565 billion in January 1997 to \$160 billion in mid-1998.<sup>20</sup> South Korea entered recession in early 1998 (with a record 1.2 million unemployed), and Indonesia experienced a 7–8 percent GDP contraction and at least 10 percent unemployment.<sup>21</sup> The deleterious social aftershocks have outlasted economic recovery, particularly in more backward areas such as Aceh. In the early 1980s the average income of the top 10 percent of Thailand's households was seventeen times that of the bottom 10 percent, but after the financial crisis the gap between top and bottom had widened to more than thirty-seven times. Indonesia's National Employers' Association estimates that the country's formal unemployment rate at the end of 1999 was 24 percent, but much higher in outlying areas.<sup>22</sup> With resentment of the IMF and the U.S. already in the air, news of terrorist exploits elsewhere could heighten xenophobic resentment over sudden poverty.

This train wreck of globalization did elicit a response from its institutional service providers, as the International Monetary Fund interceded with large emergency rescue packages for Thailand, Indonesia, and South Korea. And by the fall of 1998 many of the stricken economies (with the painful exception of Indonesia) seemed well on the way to recovery. (To some, the recovery came too soon, before the necessary banking and financial sector reforms had been completed.) Yet though none of these countries withdrew from international commodity or capital markets, the crisis left in its wake a certain resentment. Not only were international markets deemed risky (a useful insight), but in addition the institutions in charge of supervising them were found wanting. The IMF, derided by the left as a Trojan horse for American neoimperialism, imposed a policy of financial austerity and high interest rates. It was a policy that dried up the money supply and

<sup>20</sup> *Straits Times* (Singapore), August 16, 1998.

<sup>21</sup> See Lowell Dittmer, "Globalization and the Asian Financial Crisis," in Samuel Kim, ed., *East Asia and Globalization* (Lanham, Md: Rowman and Littlefield, 2000).

<sup>22</sup> Chris Baker and Pasuk Phongpaichit, *Thailand's Boom and Bust* (Chiang Mai, Thailand: Silkwork Books, 1999), 284–85; and Indonesia Employers' Association, Seminar Paper for 1999, ILO/Japan Asian Regional Tripartite Seminar on Industrial Relations and Globalization, as cited in Kurlantzick (fn. 12).

precipitated bankruptcies among companies with high debt exposure that might otherwise have survived. But the IMF incurred resentment not only for the terms of the rescue package but also for its intrusive conditionality (that is, reform or no loan). This blow to IMF prestige has not slaked enthusiasm for the primary new vehicle of globalization, the World Trade Association, which China and Taiwan joined in December 2001, but the conditions for participation may yet take their toll.

Osama bin Laden and the war on terrorism have made use of the instrumentalities of globalism, such as cross-national money flows, decentralized operations in an estimated sixty different countries, and so forth. But al-Qaeda's global appeal is limited: its intention is to provoke a clash of civilizations. To this end it helps incite terrorist strikes against symbols of Western hegemony, hoping thereby to raise a consciousness of Islamic solidarity and militance. This has been clear in the transnational reach of the organizations thus far placed under watch: Abu Sayyaf in the southern Philippines, the Islamic Movement of Uzbekistan (IMU), the Hizb-ut Tahrir (HUT) in Tajikistan, the KMM in Malaysia, the United Wa State Army (UWSA) in Burma, and Laskar Jihad and Jemaah Islamiya (JI) in Indonesia. All have international connections, usually limited to the world of Islam. Because of the resort to globalist techniques by the terrorists, counterterrorism efforts within East Asia have taken the form of intensified international surveillance and policing efforts likewise consistent with globalization. The only resort to the "war on terrorism" approach—Bush administration efforts to ostracize or sanction North Korea—seems to have failed to generate a supporting consensus. Despite apprehension that such efforts were incompatible with the "ASEAN way," with its emphasis on noninterference in domestic affairs, in August 2002 the United States and ASEAN signed a counterterrorism pact, calling upon signatories to freeze assets of terrorist groups, strengthen intelligence sharing, and improve border patrols. Thailand has proposed a U.S.-ASEAN summit, as a conclave on the sidelines of an APEC meeting (to which all parties also belong). Beijing has proposed regular East Asian ministerial meetings to discuss efforts at international crime control and counterterrorism, and it has proposed a counterterrorism pact between Washington and ASEAN + 3. These efforts have thus far been fairly moderate, perhaps proportionate to the perceived magnitude of the regional threat.

The impact on globalism in East Asia seems mixed because terrorism has not yet made that big an impression there, even after September 11. Both manifestations of globalism and the reactions to it have remained primarily economic. The story line goes as follows: East Asia

embraces globalization as a route to modernity, the Asian financial crisis shakes regional confidence in that approach, whereupon the Western-backed institutional regulators of globalism are too heavy-handed in the implementation of their rescue package and the East Asian nations increasingly seek their own counsel. This does not mean globalization is in trouble in a region that has benefited so conspicuously from it and hopes to benefit further, but there has been increasing interest in regional alternatives, to which we now turn.

## REGIONALISM

The main challenge to globalization in East Asia has been not terrorism but regionalism. The humiliating terms imposed by the IMF during the Asian financial crisis helped stimulate the search for regional alternatives and—inasmuch as neither ASEAN nor APEC has played any useful role in either the crisis or the subsequent economic recovery, and perhaps because these institutions have in common with the IMF that they accord a leading role to the U.S.—the drift has been away from the old regional forums toward the creation of new, exclusively Asian institutions. Two of these are worth noting, one of which derives from ASEAN, the other from the normalization talks between China and the former Soviet Union.

The former derives from Malaysian prime minister Mohamad Mahathir's 1990 proposal for an East Asian Economic Grouping, later enshrined in the APEC framework as the East Asian Economic Caucus. This aroused U.S. and IMF suspicions about economic regionalism and made scant progress at the time. During the financial crisis the idea was refloated by Japan and Malaysia in the form of an Asian Monetary Fund (AMF), only to be denounced simultaneously (for similar reasons) by China and the U.S. and abandoned—the U.S. disliked a regional challenge to the IMF, and China was suspicious that it would endow Tokyo with regional financial leadership. The turning point came in 1995 during preparations for the first Asia-Europe Meeting (ASEM) arranged by ASEAN to meet in Bangkok the following year; the Asian contingent of these trade talks, the ASEAN members plus the three leading Northeast Asian countries, China, Japan, and South Korea, met before the meeting to decide upon an Asian agenda. These countries met again during the 1997 ASEAN summit in Kuala Lumpur and at each of the following annual ASEAN summits, with the three northern powers also meeting on the sidelines in a separate conclave. Thus was born what has become known as ASEAN + 3 (APT), whose membership coincides closely with that of the EAEC. Intra-Asian trade has been increas-

ing—in the wake of the Asian financial crisis, bilateral trade between ASEAN and the three Northeast Asian countries grew from \$66.5 billion in the first half of 1999 to \$91.9 billion in the first half of 2000—making the establishment of the organization quite timely. The APT's most important achievement to date has been the so-called Chiang Mai initiative, an agreement on a network of currency swaps among APT members. Though inadequately funded, it marks the first consensual move toward a regional financial infrastructure. Aspirations for an Asian Monetary Fund have never been entirely abandoned. APT has also made plans for a free-trade zone with China (ASEAN + 1) within ten years, later to include Japan and Korea, and at the fifth summit at Brunei (November 5, 2001) it agreed to establish a permanent secretariat. In the wake of the now-apparent limitations of ASEAN and APEC, "The APT now seems to have the potential to become the dominant regional institution in East Asia."<sup>23</sup>

Finally, the Shanghai Cooperative Organization (SCO), formed in July 2000, is an institutionalization of the Group of Five initiated in 1993 to coordinate border negotiations between the PRC and the team of former Soviet republics that had become independent with the breakup of the USSR in December 1991 but still remained members of the Commonwealth of Independent States (CIS). Uzbekistan became a full member at the June 2001 summit, and Mongolia and Pakistan have expressed interest in joining. As such it is but a subregional body, coordinating relations among Central Asian states. The primary initial concern of the organization was with border demarcation and confidence-building measures along the frontier, but as the region's only security forum in which the U.S. was not directly involved, the SCO was also concerned with deterring Muslim terrorism (chiefly in Xinjiang and Chechnya) well before September 11. The American offensive against Afghanistan beginning in October 2001, which (as noted above) involved basing and supply arrangements in exchange for reciprocal aid agreements, seems to have eclipsed the SCO for the time being, but it would be premature to expect an ad hoc coalition to outlast a more carefully structured one. An interesting economic spinoff of the SCO is the Eurasian Economic Community (EEC) introduced in 2001, which includes a system of interbank payments and settlements, common labor and capital markets, and a customs union.<sup>24</sup>

<sup>23</sup> See Richard Stubbs, "ASEAN Plus Three: Emerging East Asian Regionalism," *Asian Survey* 42 (May–June 2002).

<sup>24</sup> See Gregory Gleason, "Inter-State Cooperation in Central Asia: From the Commonwealth of Independent States to the Shanghai Forum," *Europe-Asian Studies* 53 (November 2001).

Thus regionalism has made substantive strides recently, not because of September 11 alongside it. As intraregional trade and investment increase, regionalism makes more functional sense, but a yearning for cultural solidarity or regional identity is also part of the attraction. In the past the rivalry between China, Russia, and Japan for regional leadership, in addition to Washington's determination to protect its considerable interest in the region, stymied organizational consensus. But Russia has dropped out of the race for leadership for the time being, and while relations between China and Japan remain uneasy, if one of the two grasps the nettle the other feels obliged to participate for fear of being left out. Even as the region has discovered an interest in regional integration, the U.S. seems to have lost its interest, perhaps because such efforts tend to focus on political-economic variables that are not at the top of Washington's current agenda. The current American emphasis on its coalition against terrorism has temporarily deflected attention from other regional organizations, such as the SCO. But as terrorism itself lowers its profile, either because of defeat or out of tactical necessity, the interest in development seems likely to eclipse the fear of terrorism as a basis for long-term regional integration.

#### BALANCE OF POWER

There has been far too little academic discussion of the regional balance of power in East Asia, a topic usually left to journalists. Unfortunately, space here permits only an inadequate adumbration of the implications of the war on terrorism for the balance of power.<sup>25</sup> East Asia consists of four great powers (China, Japan, Russia, and the U.S.), three middle powers (Taiwan and North and South Korea), and a subregional bloc (ASEAN), which is too large (with some five hundred million people) to be a middle power and too fractious to be considered a great one. And it has been seriously weakened of late, not so much because of terrorism as because of the damage to credibility incurred by its anemic response to the Asian financial crisis. In addition, ASEAN doubled in size in the 1990s, absorbing five new members defecting from the collapsed communist bloc (hence both economically and politically quite ill prepared).

During the high cold war the Asian-Pacific region was split, cleaving the four great powers two against two, while the medium powers

<sup>25</sup> For an outstanding exception, see the works of Gilbert Rozman: Rozman, "The Great Power Balance in Northeast Asia," *Orbis* 42 (Winter 1998); idem, "A Regional Approach to Northeast Asia," *Orbis* 39 (Winter 1995); idem, "A New Sino-Russian-American Triangle?" *Orbis* 44 (Fall 2000), 541ff.; and idem, "Cross-National Integration in Northeast Asia: Geopolitical and Economic Goals in Conflict," *East Asia: An International Quarterly* 16 (Spring-Summer 1997).

received patronage and extended deterrence assurances from their respective patrons (South Korea and Taiwan from the U.S., North Korea from China and the Soviet Union). The cold war reached a less neat conclusion in Asia than in Eastern Europe, going through an interregnum of strategic triangularity after ideological bipolarity crumbled in the late 1960s, giving the Asian Communist Party states a strategic haven outside the bloc that soon expanded to include economic integration as well. This was one of the reasons they did not collapse with the bloc. Though Asian communism hence survives, ideology is deemed of increasingly minor importance in guiding these states, which fight with one another nearly as frequently as with capitalist states and trade and invest with Western countries more than with each other. The almost total disappearance of international ideological solidarity is illustrated by the fact that of Beijing's vaunted "partnerships," not one is with another socialist country.

We noted in our narrative in the first section how the regional dynamic had been moving in the 1990s toward a mimesis of the cold war cleavage, in the sense that while China and Russia moved ever closer, culminating in 2001 in a new friendship treaty, Sino-American relations became increasingly tense. The impact of antebellum Bush new realism was to accelerate this trend, moving to consolidate relations with Japan and Taiwan without much regard for Beijing. The new polarization also tended to foreclose the options of the middle powers, as Kim Dae Jung, for example, suddenly found that his sunshine policy with the North was out of season. September 11 provided an escape hatch for Russia and China from this looming confrontation, and both pledged their support for the grand coalition. Only Pyongyang somehow missed this chance to patch up relations with Washington. Cooperation on one issue, however important, does not necessarily entail cooperation on other, unrelated issues, and most of the old disagreements have survived intact: from missile defense to missile technology export controls, from Taiwan to human rights abuses. But antiterrorism did provide a convenient pretext to restore the semblance of cordiality necessary to transact business. Not only that—both China and Russia have a common stake in preserving the nation-state against terrorist unrest and have lost no time in cracking down on their own Muslim dissenters in Xinjiang and Chechnya, respectively. Interestingly, the middle powers have found it more difficult to reverse course, and the two remaining divided nations in the region—North and South Korea, China and Taiwan—remain at loggerheads. There is also deep-seated suspicion in Beijing and Moscow that Washington will use this offen-

sive to extend its growing network of permanent military bases throughout Central Asia, but for the moment both have too much at stake with Washington to make that an issue.

In brief, the war against terrorism has had a fairly strong albeit temporary impact on the trends of globalization, regionalism, and balance of power politics in East Asia. From the perspective of current American national interests, that impact has been moderately positive in the first instance (serving on balance to strengthen the nation-state), mixed in the second (temporarily overshadowing regional organization-building efforts, but also permitting regional institution building to forge ahead while the superpower is preoccupied with more pressing matters), and mildly positive in the third (permitting a superficial reconciliation while underlying differences continue to fester). The “war” cannot in my view really be said to have initiated a new era in world politics, at least as perceived from East Asia. It has had a significant impact on American foreign policy, to be sure, infusing Bush’s new realism with a moral core. While it is true that the East Asian nations have had to adjust to this, even that impact (for example, the remission of unilateralism) has been less than first appeared.