STRATEGIC TRENDS IN THE ASIA-PACIFIC

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Background

The region has been broadly at peace at inter-state level for almost three decades, since the end of the Vietnam War. A tactical defeat for the United States, it arguably proved to be a strategic victory in the rapid growth of regional prosperity and stability which followed.

The pattern of alliances that divided the region for many years was greatly altered with the end of the Cold War. That opened the way for the first genuine attempts at regionalism in Asia-Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum (ARF). The US-Japan alliance, however, remains crucial to the confidence of the region, and the US-Korea and US-Australia (ANZUS) alliances are still important as underpinning American concern with the region.

The Outlook

Despite the long peace, states in the region are wary about the future. This unease centres on the future part to be played in the region's affairs by the United States and China. It is assumed that China's influence will grow and that the role of the United States will proportionately diminish. The question is where the balance will be struck. Many regional countries, which have been comfortable under the present arrangements, hope that the more distant United States (and Japan) will maintain a sufficiently active presence to counter-balance the involvement which China has historically had in Southeast Asian affairs.

Almost all members of the region are maintaining an increased level of spending on arms. There are two main reasons for this: the ability to afford sophisticated modern weapons systems; and the need to re-balance armed forces away from counter-insurgency to emphasise sea / air power. But underneath all this is the assessment by member countries that they will have to shoulder a greater responsibility for the region's security.

Regional Institutions

Along with the increases in military spending there has been a move to strengthen regional diplomacy and to build organisations to help manage future crises. There is unlikely to be a NATO in this part of the world, which is oceanic not continental and lacks an imminent threat as the adhesive. Nonetheless, the last decade has seen the successful establishment of APEC (whose leaders' meetings make it of more than economic interest, as its help over East Timor showed) and the ARF.

The latter is still an infant, barely more than five years old, and its capabilities should not be over-estimated. Yet it has grown in confidence, has managed to allay the misgivings of both China and the United States, and in one form or another such a forum is now essential.

North Asia

The key to the region's continuing peace lies in Northeast Asia. There the interests of China, Japan and the United States intersect and there are two lines of potential military confrontation – in Korea and Taiwan.

China says it has no strategic ambitions apart from the return of Taiwan to the motherland. It is modernising its forces, partly with Taiwan in mind but also because its present forces do not have the capabilities to be expected in a continental power of its size. The build-up is gradual and it will be at least a decade, perhaps two, before it will possess a significant ability to project power beyond its shores.

Japan already has large armed forces, though their power also cannot be projected any substantial distance from its shores. Despite the collapse of the Soviet Union it has retained its Mutual Security Treaty with the United States from wariness of China's growing power but even more because a lone Japan would rouse old fears in the region. As the balance between American and Chinese

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power slowly shifts there will be increasing calls for a revision of the 'no-war' clause in the Japanese constitution. But any change in Japan's strategic outlook will be gradual, focussing in the short-term on easing the stringent conditions which prevent it from playing a larger role in peacekeeping.

The United States, despite earlier fears of a pullback, will stay as the effective underwriter of the region's present structure. But it will not act as the regional policeman and has signalled that it will not intervene in disputes like the South China Sea claims. Its concern will be with the major security risks in Korea and Taiwan.

Korea remains divided into two hostile countries after more than fifty years. But agreement among the four guarantors of the Korean Peninsula – the United States, China, Japan and Russia – rules out any renewal of the war. Raids and skirmishes are still possible but the developing rapprochement between the North and the South makes even these less likely.

The problem is to manage the rapprochement and avoid any sudden collapse in the North. Pyongyang seems to have accepted that some change can no longer be avoided. Seoul, Tokyo and Washington now have an incongruous partner in this delicate task of managing careful change.

An awkward relic remains. North Korea's rash testing of a long-range missile angered the United States and made Japanese public opinion apprehensive. The two countries have agreed to cooperate in research on Theater Missile Defense (TMD) to be deployed from naval vessels. This in turn has raised Chinese suspicions that such a missile defence would be aimed not at North Korea's puny system but at the growing Chinese capability and at neutralising any Chinese threat to Taiwan. It remains to be seen whether TMD is technically feasible and until then the serious risks in deploying it lie dormant.

Taiwan is seen by many as the single greatest threat to the region's security in the medium-term. China has consistently said that it will not rule out the use of force to reunify the island. The United States and all the other Western democracies, including New Zealand, have said that such reunification must take place peacefully.

Taiwan now has a democratically elected government and as native-born Taiwanese have moved into power they have become more ambivalent about the 'One China' principle. Before the presidential elections in 1996, China endeavoured to make its point by military exercises and missile firings around Taiwan. This led the United States to move a carrier battle group into the strait in an unmistakable hint that it might intervene if China went further.

The upshot is that the Chinese are now beginning to feel that time is not on their side, and the rest of the region has seen prospective battle-lines drawn between China and the United States over the island's future. There are still powerful economic and practical reasons to hope that China and Taiwan can reunite at some point in the future, but the consequences of a policy failure could be war between two powers possessing nuclear weapons.

Southeast Asia

ASEAN has played a large part in uniting and stabilising Southeast Asia since the end of the Vietnam War. There has thus been a tendency to leave it to ASEAN but, for the time being, that organisation is in shadow. The Asian economic crisis has done some damage to the confidence of member countries. ASEAN has now extended its membership to all of Southeast Asia but at a cost to its coherence. And its leading member, Indonesia, is going through its own difficulties. But ASEAN is now well rooted and it will be back as an influential voice in the region's diplomacy.

Indonesia is currently working through a double set of worries, political as well as economic. It has made progress on both fronts, establishing legitimacy with an elected civilian government. But separatism in Aceh and West Papua and religious and ethnic violence in Maluku are not just domestic problems. If mishandled they could become threats to the stability of Malaysia, Singapore and Papua New Guinea.

Conclusion

While there is continued focus on economic development, managing broader Chinese-US relations will be the key to the region's confidence. The region's strategic interests, pursued through the ARF and elsewhere, will increasingly focus on helping to buffer this relationship.

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