

# The New World Order and Northeast Asia: Options for Future\*

Chung-Si Ahn\*\*

## I. The World at the Close of the 20th Century

The world today is at a turning point. The changes that we are undergoing are global in scope, and in content, revolutionary, fundamental, and structural. The Northeast Asia is also in the period of a great political and economic transformation. Amidst these changes, peoples and societies of the region are facing new sources of hopes, challenges, and uncertainties. The nature of change in the world and Asia can be summed up as optimism and uncertainty.

### Optimistic Trends

A half century's cold war is over. Reduced war potential among major powers increased the prospect for global peace and regional stability. Trade and economic issues are gaining increasing importance in international relations. The communication and information revolutions now under way are turning the world into a truly 'global village' of one living unit. In addition, an era of competitive coexistence between capitalism and socialism as the two alternative social systems has ended with a victory of the market system in a world scale. This (marketization) will facilitate one single, comprehensive, and global economic unity (i.e., the UR and WTO system) to emerge. These positive changes are joining

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\*\*Professor of Political Science, Seoul National University.

forces with other negative global problems — such as deteriorating environments, pollution, and draining natural resources, etc. — to foster, or at times force international cooperation.

The state system is also being pushed for more democracy. As nations achieve higher economic development, the societies become increasingly pluralistic and complex. Growing business sectors tend to proliferate civic organizations as well. The net effect of economic development, urbanization, social pluralism, structural complexity, and the proliferation of civic sectors will result in a growth of the middle class, and a simultaneous gaining of the maturity and relative power of the civil society over the public and state sectors. This will in turn push the states and their leaders to abandon authoritarian control and adopt measures to conform to the rules and principles of democratic governance. Thus, the world appears to move toward an era of global cooperation and integration. As we enter the 21st century, a sense of optimism prevails in Asia and elsewhere. Nations of the Northeast Asia are already in place to help this trend take a firm root.

### **Remaining Uncertainties**

As we are at the close of the 20th century, there still remain obstacles and uncertainties that pose challenges for us to overcome. A few of them are highlighted below.

The first and foremost of the uncertainties lying ahead stems from the very nature of the transition, that is, moving from one mode of world order to another in kind. The past models and conventional paradigms that used to rule the world order have become obsolete. And there still exists no alternative to enable us to predict the coming world. Neither is there a clear indication at the moment that there will soon appear an alternative ideology and model of development to solve the global problems. In other words, the post-capitalist world is uncertain.

A half-century long confrontation of the two competing

systems—capitalism vs. socialism—has ended with capitalism winning the competition for the time being. But the end of socialist system did not automatically resolve “the crisis of capitalism.” With the advent of the Uruguay Round (UR) and WTO system, the world is said to be moving toward a market system, combined with a borderless world economy. However, while the rise of economism tends to push every problem for market solution, the world has not yet seen that the market is capable of transcending national differences. Although global economic cooperation is a dominant future trend, forces of the economic nationalism, protectionist policies, and fragmentation of markets are also on the rise. Consequently, gaps among the advanced, developing, and underdeveloped countries in wealth, technology, and communication are not likely to be narrowed soon. Conflicts attendant to this will keep the world from moving smoothly toward an integrated social and economic order.

Indeed, capitalism did not succeed in protecting the society from the corruption and collaboration of power, and from the abuse of the market by businesses and multinational corporations. Some dare to say that the breakdown of the communist regimes attests to a clear victory of the market capitalism over the plan socialism. History, however, offers a contrasting explanation. Only the economic system — be it capitalism or socialism — that helps democracy and human rights to thrive can survive the test of history and civilization. Market and plan economies which propelled democracy prospered. But ones that rejected democracy have all been doomed to fail. The question then is can the world economy, with its turning to marketization in a world scale, save the future of democracy?

Our final uncertainty lies in whether the current state system can effectively deal with the growing global problems. Nations today are too small and weak to solve the “big problems.” The world and national issues to which individual states are called to pay attention are growing ever bigger and more complex, while the power and resources of the states to

solve them have gotten weaker and smaller. Simply stated, the states have too many things to do, but too little power and resources to do them. Authoritarianism and militaristic rule that still remain as a dominant mode of governance in some Asian states further complicate the prospect of our future. In a world scale, we also see that political separatism, division and fragmentation are not likely to disappear soon, as we see in the aftermath of the dissolved former USSR and Yugoslavia.

In short, conflicting trends continues to coexist. There are coexistence of conflicting forces operating simultaneously: globalism vs. nationalism, integration vs. fragmentation, globalization vs. national stratification, and democracy vs. authoritarian temptations. How these conflicting trends will join forces to make the main trend of the history in the next century is still largely unknown and uncertain, and thus pose grave challenges to the world leadership.

## **2. The Asia and The Pacific Region**

If we turn to the Asia and the Pacific Region, a new cycle in political time and thinking is on the rise. The region in general continues to move ahead towards a period of relative peace and stability in the 21st century. Bilateral relations among countries that used to be far apart for so long have been greatly improved in recent years. Simultaneously, an awareness of the need for multilateralism in economic, security, and cultural cooperations have gained renewed strength among the major countries in the Northeast Asia.

### **Economic Prosperity**

Economic preeminence of the Asia-Pacific Region is the cornerstone of our optimism in the future of Asia. The fifteen APEC members of the Asia-Pacific region home more than 2 billion people, occupy 40 percent of the world trade, and account for a half of the total world production of goods and services. The region "saves more than the rest of the world,"

and is endowed with "rich diversity in natural resources, wage levels, skills and technology."<sup>(1)</sup> Intra-regional trade and investment continue to expand steadily. For the first time since the Industrial Revolution, the center of the world economy is moving toward the Asia-Pacific Region and slowly away from Europe.

As Asia's economic dynamism draws global attention, a renewed sense of international partnership is replacing relations of patron and client between Asia and the rest of the world. The formation of the Asia-Pacific Economic Cooperation(APEC) was a step to make the 'Pacific Century' a reality. APEC, founded in 1989 in Canberra by 12 Asia-Pacific countries, now has 15 member countries. The summit of the APEC in November 1993 in Seattle was, to the eyes of the U.S., a symbol dramatizing Asia's emergence from poor, "troublesome security clients to a mature partner with the U.S. in co-prosperity."<sup>(2)</sup>

The Region's economic success is accompanied by a brighter democratic prospect. Economic dynamism is gradually being matched by political pluralism, leading to greater individual freedom, more political democracy and human rights. The decline of undemocratic regimes and the emergence of new, reform-oriented leadership in many Asia countries are encouraging signs of a brighter future. The traditional pattern of ruling parties' monopoly of power has already broken in South Korea and Japan, and is likely to be passed on to Taiwan, and eventually to other Asian neighbors. Thus, in the 21st century, Asians will become equal to Europeans, enjoying a new economic, political, and cultural renaissance.

### **Multilateralism for Peace in the Northeast Asia**

Along with the rise of economic integration, efforts to institutionalize a multilateral cooperative framework in

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(1) *Far Eastern Economic Review*, June 2, 1994, p. 21.

(2) *Time*, November 22, 1993, p. 16.

politics and security dimension have also gained renewed vitality. As we have seen in recent years in such countries as South Korea, Malaysia, Thailand, and Taiwan, economic development nurtures forces for democratic changes. For economies to grow and mature, nations need to reach out and work for more stable and secure international economic-political environments. It is also true that open democratic societies make better trading partners and more peaceful neighbors.

Multilateral framework in political and security cooperation still lags far behind the one in economic area. But such a plan has been around for years in the Asia-Pacific Region. The Association of Southeast Asian Nations(Asean) has already formed a regional security forum, including the U.S., China, Russia, South Korea, and other major countries in the Asia-Pacific Region. Similar plans have been proposed in the Northeast Asia as well, following the suggestions — on different occasions and with contrasting objectives in mind — made by such countries as the U.S., Russia, Australia, and so on. Perhaps, as the South Korean Foreign Minister Han Sung-joo said in November 1993, “the time has come for the nations of the Northeast Asia to join together under a multilateral security framework.”<sup>(3)</sup>

The Northeast Asian multilateral framework in political and security matters is still an idea which will not be realized easily. The unpredictability of North Korea and its nuclear ambition is a major obstacle. Historically speaking, most major actors in the region — the U.S., China, Russia, Japan, and two Koreas — share memories of bitter fightings with each other in the past. Even having a multilateral security arrangement does not rule out the possibility of radical changes in the political map of the region. Major internal political disruptions in China, Russia, or North Korea can result in radical shifts of their domestic power and foreign policy. But, the existence of a multilateral security scheme

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(3) *Far Eastern Economic Review*, November 11, 1993, p. 42.

would be "likely to help make such drastic shifts more difficult." To quote the logic under this proposal,<sup>(4)</sup>

Because the region is enjoying relative peace, it is important to ensure that the positive factors that have brought about this peace be preserved by institutionalizing them. Such an institution would enable the main players to make their actions and goals more transparent to one another and so bring down the level of distrust.

### **Uncertainty Factors**

The process of change and adjustment toward peace, stability, and democracy in the Northeast Asia is not necessarily smooth and peaceful. The awareness of interdependence lags behind the need for cooperation. Multilateral arrangements in economic and security matters still remain as ideas and intentions, with no clear definition of situations and objectives at hand. Hostility and mutual suspicions do still exist among the regional powers. Some fear that the prospect of long-term peace in the Northeast Asia remains still volatile, as there is no guarantee against the expansionist aims of the major powers; "threatening the U.S.," "intervening China," militaristic Japan, and so on. Recalcitrant North Korea may provoke nuclear race among neighboring countries. Moreover, many of the Asians are still mired in hopeless poverty. No one can enjoy long-term stability, peace, democracy, and prosperity, if this poverty persists.

In addition, we hear some voices calling for an exclusive regional bloc that would appear to exclude others in the region. Prominent Americans and Japanese insult each other, while ignoring the fact that neither can sustain continued prosperity without the well-being of the other. Some even fear that the U.S. is "scheming to transform the APEC into a trading bloc with discriminatory outside tariffs." Skeptics further view that the APEC is a 'big brotherism' in a new form, using Asia as an alternative market the U.S. can

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(4) the same as footnote 3.

dominate, should the GATT round collapse. Nevertheless, the commanding reality is that no nation in the Northeast Asia can prosper in isolation from others. Instability in one country will create difficulties elsewhere. Thus, the current level of interdependence and relative peace of the region needs to be nurtured to take a firmer root. What needs to be done immediately and on a long-term basis?

First of all, it is vital to make every effort to bring North Korea into harmonious regional order. No nation in the Northeast Asia will feel safe, if North Korea is perceived as a nuclear threat. If Pyongyang does not comply with the inspection requirements of the International Atomic Energy Agency, every country in its proximity will suspect that North Korea is close to the actual possession of nuclear weapons. China may wish to maintain cordial relations with North Korea. But, at the same time, China is concerned about Pyongyang's nuclear program, since it also desires a de-nuclearized Korean peninsula. Also, the Chinese interests lie in supporting peaceful and stable environments in the Northeast Asia. Thus, China may not play an obstructionist role in bringing about nuclear-free Korea. Only after the nuclear issue is resolved, can Pyongyang improve its relation with South Korea, and hopefully establish diplomatic relations with the U.S. and other countries. Lifting the economic sanctions and providing foreign cooperation for its economic development can follow afterwards.

Second, China is under a great historical experiment. By 2020, China and Japan are predicted to become the two largest economies in the world. Politically, China is maintaining socialist authoritarianism, while reforming its economy along the market system. So far the experiment seems to be working, with double-digit annual GDP growth rates for the past years. Non-intervening China, with its success in economic development and political reform, is a central pillar upon which to build a peaceful Asia-Pacific. Will China succeed in its economic reform and political experiment and pursue a policy of good neighborliness



toward the outside world, especially to her smaller neighbors?

Third, Japan seeks for a new political role. She is looking for a new leadership in the region. The monopoly of power that kept the LDP in power for the whole of its existence since World War II was dramatically broken up in 1993, opening the way for a coalition of reform politics. Despite strong ties with the West, the Japanese people are inclined to identify themselves with Asia. However, history has proven that Japanese Asianism divorced from the outside world would make Japan's relations with other Asians more difficult.<sup>(5)</sup> In this respect, Japan's foreign policy and its role in Asia is still ill-defined. The question then is what kind of Asia the Japanese see themselves as part of — a broad and inclusive one, or one that is narrow and resentful. The souring of Japan's relations with Europe or the U.S. or both can make the latter more likely. Will Japan continue to depend on the U.S. security umbrella, or will its political role commensurating with economic power lead Japan to re-armament and tensed relations with its neighbors?

### **3. Conclusion: Options for Future**

How can the optimism in the world and Asia, that I have identified in the preceding pages, come true? The answer logically is to reduce uncertainty and make every country act positively for the future of the world and Asia. Effective measures can be sought for on the global level as well as on the regional basis.

On global dimension, there is, first of all, a need to institutionalize regular consultation among summits on global issues. Secondly, the world also needs to foster an emergence of the transformational leadership; a leadership

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(5) see, Taichiro Mitani, "The Idea of 'Regionalism': The Case of Modern Japan," Paper presented at the Kyoto Roundtable of the International Political Association, Kyoto, Japan, March 25-27, 1994.

(1) to facilitate the beginning of the new, and ending of the old way of doing politics, (2) to change the way people look at and act for the future global village, (3) to pass the test of democratic leadership and build democratic authority, and (4) to bring out the best in most of their peoples at this crucial turning point of human history. Thirdly, a new system of world education should be introduced in order to inculcate new values for global cooperation and teach the skills necessary for global problem-solving to the rising generations of leaders and followers. Raising consciousness among intellectuals and decision-makers of the need for global thinking and problem-solving is also required. Nurturing the spirit of community solidarity and fostering active citizenship to build democracy are additional requirements for future. Finally, the principle of equal participation of small and medium-size countries is, by all means, to be respected in the process.

On the regional security matters, peace and democratic changes in the Northeast Asia crucially depend upon our ability to make regional powers act positively. The prospect of regional order in the Northeast Asia hinges on whether the following key issues are managed properly:

1. The U.S. is advised not to make a precipitate exit from Asia. For the time being, at least, it is desirable that the U.S. continues its presence and constructive role in Asia as a balancer and guarantor against the uncertainty factors that we examined earlier.

2. China is recommended not to use its growing prosperity as a means to its military advancement, seeking to occupy the military vacuum left by the disengaging U.S.

3. Japan should be contained for its positive political role commensurating with economic power. Japan's security interest needs to be placed in the larger and more constructive context of the Asia-Pacific region. For this, Japan's economic, political and security relations with the U.S. are a crucial factor.

4. The two Koreas need outside assistance to reunify

peacefully and to remain unified without resorting to nuclear options.

In the area of multilateralism, Asia-Pacific countries should work together to make the APEC framework work. The Northeast Asian states can do much more to make the region more stable so that investors gain more confidence in business environments. They may also strengthen other regional or subregional networks to foster democracy, economic development, peace and human rights in Asia. The scope of the APEC framework can be further increased to create a forum for security cooperation through gradual and incremental steps, so that the mechanisms can serve to peacefully settle the disputes among regional states and reduce endangering arms race.

The Asia-Pacific region and the Northeast Asia should strive harder, as a community, to upgrade the level of interdependence. Economic policies should be kept open, not closed, among the countries in the region. In addition, the region must be open to imports and investments from all over the world. Exclusive trading bloc and 'big brotherism' will hinder the growth of open regionalism. Open regionalism means no discriminatory barriers against the rest of the world. A precondition for open regionalism is that none of the members dominates the rest or commits actions detrimental to the regional interest. It also serves to cater for the global human interests.

Finally, on politico-cultural dimension, Asians need to learn how the West won the world leadership. Nations grew, prospered, and effectively led the peoples toward the joy of democratic life, only after their state agencies encouraged the civic vitality. Otherwise, they declined. Components of the civic vitality are numerous; political democracy free economic system, social and cultural diversity, and so on. But democracy, of which the basic principle is to respect and enhance political freedom and human rights, is the first and foremost ingredient in the rise of the West in the world civilization. Democracy brings economic growth via brutal

market forces under humane control. Peace is possible when there are democracy and economic prosperity. Peace, in turn, makes democracy and economic prosperity real.