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Chapter 8

AN INDONESIAN PERSPECTIVE ON SECURITY TRENDS
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In assessing Asian and American perspectives on regional security issues in the 1980s, I sense deep differences in views of the future. Asian specialists on security affairs seem to share a sense of the fragility of the situation in the Western Pacific, in rather sharp contrast with the American attitude of optimism—sometimes bordering on self-satisfaction—with regard to the U.S. position in the Asia-Pacific region. Although both American and Asian specialists are sensitive to a broad range of problems which will shape regional security issues in the coming decade, their attention at present seems to be focused rather narrowly on events in the Indochina region, on conflicting perceptions of who is encircling whom, and on how much leverage one major power might have over the local contending parties for use in contending with other major powers.

Fears seem to play a continuing role in building self-fulfilling prophecies of the future. Much of the current tension in Indochina seems to result from China's fear of continuing major power involvement south of its borders and from the reciprocal Vietnamese fear of Chinese hegemony. These concerns have produced what is now clearly, at least at one level of analysis, a struggle for a mutually acceptable power mix in two countries doomed to be buffer states, Kampuchea (Cambodia) and Laos. The outcome of the current conflict will determine whether it is possible for Vietnam, China, and Thailand to coexist in some viable equilibrium.

The tortured history of conflict in Indochina since World War II seems to me to emphasize, given the fervent patriotism of the Vietnamese, how limited foreign influence on the Peninsula has been. This history also shows how constrained is the effective long-distance projection of military power, unless it is supported by a broad complex of economic and political factors. Thus, future projections of Soviet influence over events in Asia must give due consideration to the factors that will limit Moscow's leverage over current developments. We must not be prisoners of the present situation—much less the past—in assessing regional security issues, policy choices, and dilemmas that the United States and the countries of East Asia will have to face in the coming decade.

FUTURE PROSPECTS FOR SOVIET INFLUENCE IN ASIA

In this presentation I propose to point out without extensive elaboration a

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number of issues that I believe must be given due weight in any proper assessment of likely security problems in the Asia-Pacific region for the 1980s. First, there is the Soviet Union. It is of course quite possible to argue about the capacity of the Soviet Union to project its military or political power much beyond present limits—provided, of course, that the Vietnamese perception of the Chinese threat remains at its present level. The current degree of Soviet influence need not constitute a major threat to the equilibrium of forces within the region, although to say this does not exhaust the subject. After all, there is the likelihood that in the 1980s the Soviet Union will experience a change of leadership. A new team in Moscow is initially bound to be an uncertain and much less prestigious one than the present leadership. It might, for instance, feel compelled to assert itself rather aggressively in order to establish its own credibility; and this, in turn, could affect Moscow's response to a number of problems. How would this affect Moscow's policies toward the Middle East? Would an American willingness to provide the Soviet Union technology that would speed up domestic oil exploration and exploitation affect Soviet behavior toward the Middle East? In this connection, it will make a great deal of difference how this new leadership perceives the United States—its strengths, its weaknesses, and ultimately its political resolve. The next decade is bound to be a period of great uncertainty which will have its reflection in the Asia-Pacific region.

In addition, population trends in the Soviet Union suggest that an increasingly large proportion of the Soviet draft-age population will come from the Muslim and/or Turkic nationalities in Soviet Central Asia, Kazakhstan, and the Caucasus rather than from the dominant Slavic populations (Russians, Ukrainians, and Belorussians).² A major proportion of these Asians will be Moslem. Even though religious expression has not been encouraged in the Soviet Union, it is inconceivable that these Soviet Asians with Moslem roots will remain insensitive to developments in the Islamic world south of the USSR.

Also, the relationship between the Soviet Union and the Eastern European countries is certain to change in the next decade as a result of several anticipated economic and political developments. These changes, while far removed from the Asia-Pacific region, will affect power balances and perceptions of Soviet power in that region as well.

TRENDS IN JAPAN'S REGIONAL ROLE

These balances and perceptions would be far more directly affected by a conclusion on the part of the Soviet Union that improved relations with Japan would facilitate rather than hinder the attainment of its goal of strengthening the Soviet naval presence in the Pacific in order to achieve some degree of parity in the balance of superpower naval capabilities. Such a conclusion, at the right time and under the right conditions, might lead to a very attractive Soviet offer of mutual cooperation that Tokyo would find difficult to reject. Such an offer might involve

² See Jeremy Azrael, *Emergent Nationality Problems in the USSR*, The Rand Corporation, R-2172-AF, September 1977, pp. 16-22; and Murray Feshbach and Stephen Rapawy, "Soviet Population and Manpower Trends and Policies," in *Soviet Economy in a New Perspective*, Joint Economic Committee, U.S. Congress, Washington, D.C., October 14, 1976, pp. 143-154.

the four northern islands³ and some share in the economic development of Siberian resources. At that time Tokyo might be much more interested in entertaining such an offer than it would be right now, given Japan's current desire to develop an evenhanded approach in its relations with China and the Soviet Union⁴ and the need to secure energy supplies.

The chapters in this volume by Takuya Kubo and Paul Langer provide some very significant insights into possible changes in Japanese defense policy; but once we reach the comforting conclusion that in the 1980s Japan will most likely remain under the protection of the defense treaty with the United States, we tend to minimize the potential for future problems. I believe we underestimate the longer-term impact of what, in my view, are the unreasonable pressures the U.S. government and the Congress have been putting on Japan with regard to its trade surplus with the United States. The continuing hectoring and monitoring of Japanese performance in reducing the trade surplus—which, as Harald Malmgren notes, is a manifestation of structural problems not only on the Japanese side but also on the American side of the relationship⁵—must be deeply humiliating to the Japanese nation as a whole. This is bound to provide a psychological impetus to the growing Japanese desire to gradually assume a more independent stance in foreign policy.

However glacially slow, a shift in Japanese psychology and in Japan's perception of the world toward the development of the kind of international environment that will better suit its own resource requirements and trading needs is quite likely to manifest itself in the 1980s. Rising energy prices, recession, and slower economic growth rates in the global economy as well as in Japan may speed up this process. This shift is certain to be reflected in changes in Japan's domestic political constellation, with an end to the power monopoly of the Liberal Democratic Party (LDP).

Given the growing Japanese perception that protectionist trends in the United States and Western Europe are closing it out of very important industrial markets (markets that are essential to keeping the population fed and maintaining the economic growth rate to which Japan's social and political system has become adjusted), and given the additional insecurity of access to energy supplies, Japan may move much closer to China and to the Third World in the 1980s, and to the Soviet Union as well. Whether we will see such a confluence of developments in Northeast Asia may depend to a large extent on the willingness and the capacity of the United States to forgo short-term satisfactions in dealings with Japan in favor of a longer-range understanding of the mutuality of interests of the two countries as they both move into their post-industrial phase. A repositioning of Japan toward the communist powers would profoundly affect the distribution of economic and political power in the Asia-Pacific region. It would also raise questions about whether the revival of Japanese nationalism associated with such a shift would be accompanied by a new militarism as opposed to a continuing commitment to democracy. The course of these potential developments is certain to have a profound impact on the region as a whole in the coming decade.

³ See pp. 48, 80, and 104 above for further discussion of this issue.

⁴ This point is discussed by Takuya Kubo, pp. 103-104 above.

⁵ See pp. 206-207 and 212-213 below.

CHINA'S MODERNIZATION EFFORT

While most current discussion on the question of China focuses on the international impact of China's modernization efforts, and in particular on the effect of closer Chinese-U.S. contacts on the Soviet-American relationship, an equally important question is the likely impact of rapid change on China itself. The speed with which Deng Xiaoping (Teng Hsiao-p'ing) has moved to institutionalize the "four modernizations"⁶ is of course understandable. In the limited time he still has in a position of national leadership, he obviously wants to make the process of economic and social development irreversible. But one wonders whether he is aware of the political and social costs of rapid modernization—the dislocations, disparities, and tensions that inevitably develop as part of such an effort (quite apart from the remaining strength of his opposition in the Politburo, the Army, and the Air Force).

It seems to me only realistic to assume that even if the modernization goals are consistently pursued, the process itself will be a halting one with many sudden stops and starts, zigs and zags. There is also the question of what pattern of industrialization the present Chinese leadership envisages, and what kind of political economy. In any event, China will have to develop a great deal of its resources for export purposes in order to be able to pay for the import requirements of the "four modernizations."

Beyond this issue lies another question. Will China develop an export-oriented, outward-looking, growth economy, or an inward-looking one, aimed at increasing the efficiency and capacity of its local industry? In the first case, the domestic impact of economic growth would be profound in terms of patterns of income distribution and consumption, the distribution of power among the various regions of China, and the level of popular expectations. If the Chinese opt for an export economy, no market in the world will remain unaffected by its entry. In particular, the economies of the low-income countries of the Asia-Pacific region would feel the negative impact of cheap Chinese manufactured goods on their own industrialization efforts. In the case of an inward-looking pattern of growth, China's claim on global resources would very substantially affect existing patterns of resource supply simply because of the size of its claim on those resources.⁷ Whatever the choice, patterns of trade and resource flow within the Asia-Pacific region in the next ten years will inevitably be substantially altered by China's participation in the world economy, with important, but as yet unclear, strategic implications.

There is another aspect of Beijing's (Peking's) modernization program that deserves consideration. In their efforts to mobilize resources in the West, the Chinese have shown an interest in involving American and European citizens of Chinese ancestry—what Beijing calls "Overseas Chinese"—in their projects. They are also discovering that in the Southeast Asian region the Overseas Chinese constitute an immeasurable fund of skilled manpower in a variety of fields. Undoubtedly, these skilled workers will be increasingly drawn into the modernization effort. Contrary to our expectations of ten or twenty years ago, China's appeal to the Overseas Chinese will not be primarily political, but economic. Nonetheless, this process will seriously affect popular perceptions and feelings in those countries of Southeast Asia where the Overseas Chinese are a minority. How these perceptions

⁶ See pp. 216-220 below.

⁷ See the analysis of this issue by Guy J. Pauker, pp. 225, 228-229, and 239-240 below.

and attitudes will be affected is still unclear, but the changes that result from China's modernization effort will create political problems relating to questions of assimilation, integration, national cohesion, and ethnic harmony in the region.

Before leaving the subject of China, I would like to add one comment on the question of Taiwan's future. Much current speculation centers on the possibility of a "Hong Kong" formula for the island's status in relation to the mainland; but we should keep in mind that a reverse scenario might turn out to be the case. It is not inconceivable that once Beijing and Taipei have worked out some acceptable solution to the Taiwan problem, China might find such a formula rather attractive in determining its future relationship with Hong Kong and Macao as well. Whether or not this situation will develop in the next decade, the perception itself is not without strategic implications for the Asia-Pacific region.

Finally, as China moves forward in its modernization process, it can be expected to try to develop closer ties with the Third World. As it encounters the complexities and the perplexing contradictions that accompany economic development, both internally and in its dealings with the outside world, it may become interested in the various lessons that can be drawn from the developmental experience of a number of Third World countries. While it has continued to give aid to a small number of countries, often on rather generous terms, China so far has not shown any particular interest in involving itself significantly in the problems of the Third World (this may be related to the disastrous role that China tried to play internationally in the course of the Cultural Revolution), except as a function of its adversary relationship with the Soviet Union. To the extent that China experiences the frustrations of the modernization and industrialization process, it is quite likely to share in the growing bitterness with which a large part of the Third World now views the development of North-South relations.

THE FUTURE OF NORTH-SOUTH RELATIONS

It is rather revealing that none of the contributors to this volume deal with the North-South issue. We should not underestimate, however, the impact of North-South tensions on the Asia-Pacific region. It is true, of course, that the ASEAN countries have been rather moderate members in the Third World's dialogue with the North. Nevertheless, they are undeniably part of that world, sharing the perceptions, aspirations, and emotions that characterize this loose conglomeration of nations. And finally, we should not forget that the countries of Indochina are also part of that world.

In late 1978 I had the opportunity of attending a "South-South" conference in Arusha, Tanzania. It was the first time an effort was made at the non-governmental level to bring together "negotiators and thinkers" of the Third World to assess the state of the North-South dialogue. The meeting turned out to be an exercise in relentless self-examination. Discussion was quite frank and searching about the weaknesses and the mistakes of the Third World in this dialogue in terms of negotiating strategy, selection of negotiating focus and agenda, and solidarity in the face of growing disparities among and within the Third World countries. At the same time, anger and bitterness were expressed toward the North for its by then obvious unwillingness to try to accommodate the essential development require-

ments of the Third World. There was a strong sense among the participants, in varying degrees, that "the Third World has been had."

The signs of a North increasingly immersed in its own problems closing itself off from the industrialization of the South have since become only clearer. The slogan "no more Japans" is another indication of this trend. The Third World's capacity to counter this mood or to retaliate effectively, except to a small extent with its oil resources, is obviously very limited. But there was already an awareness at the Arusha conference that the breakdown of a meaningful North-South dialogue had become a real possibility as a result of the inability of both the North and the South to come to grips with the need for structural changes at a national level in tandem with international structural reforms.⁸

Such a breakdown would mean the end of the hopes and visions, however vague and tentative, of a collective and carefully managed series of steps toward the establishment of a viable, more equitable international system. The 1980s would then become a decade of continued drift and fragmentation at the international level, with radicalization of the Third World, growing instability and unpredictability, and armed conflicts complicated by East-West or intra-Eastbloc tensions and rivalries. It should also be said, parenthetically, that such a situation would doom to failure any "Northern grand design," any alternative fallback plan, or even any new international monetary system.

In such circumstances, it would be highly unrealistic to expect that a rapid deterioration in North-South relations would not have a serious effect on the Asia-Pacific region, despite the optimistic mood and favorable projections of the region's economic development prospects made by some observers.

Quite apart from the likelihood that high energy prices and slowing growth rates in the OECD countries will also exacerbate North-South tensions in general, I might point to two specific developments that are also bound to have a bearing on these relationships. One is referred to in the analysis by Mr. Malmgren, i.e., the role of the international capital market in development.⁹ The other is the religious revival of the Islamic world.

As to the first, there is no doubt that the private capital market is playing an important role in resource transfers from the industrialized world to the developing countries, including those of the Asia-Pacific region. While this transfer has greatly assisted the attainment of relatively high growth rates in a number of the developing countries, we should not be unaware of its broader implications. One is the increasing dependency of the developing countries on the private banking system. In some countries the effort to maintain at almost any cost creditworthiness in the eyes of the international banking system has led, and will continue to lead, to distortions in the development effort. Inevitably, the emphasis given to bankable, modern sector development projects will lead to a reduction of resources available for social development and for the creation of preconditions for greater social equity. Within the next decade there may well be a political backlash against this kind of dependency and distortion.

Neither should we close our eyes to the utter fragility of the role capital markets are now playing in relation to the developing countries. The reason for making

⁸ This issue is discussed in more detail by Harald Malmgren on pp.206-208 below.

⁹ See pp. 210-211 below.

this point is that private resource flows are often used as an argument for the reduction of government aid. The fact is, of course, that aid will remain an important resource for the creation of employment opportunities and social development projects, especially in the low-income, populous countries. Such aid will be very important for keeping the inevitable inequities that are part of the economic growth process within politically sustainable limits.

In this regard, we should not close our eyes to the fact that we know very little about how to create productive jobs in the rural areas of populous Asian nations on the massive scale that is required. The empirical data base and the state of theory that could help us do this are sadly deficient, and no large and populous developing country has thus far solved the problem satisfactorily. It would be a grave mistake to underestimate the impact of the rate of population increase on the security of the region over the next ten years. This issue will have its domestic impact in terms of pressures on resources, on job opportunities, and on the political system as a whole, but it will have a transnational impact as well. It is quite likely that the 1980s will see large population movements within and across national boundaries as people search for work, food, and physical safety. The current Indochina refugee problem is just one manifestation of this problem. Given growing income disparities and the limited capacity of governments to manage structural social change in a humane way, this problem is likely to become more acute in the next ten years. And inevitably, such developments will have security as well as social and economic implications.

THE REVIVAL OF ISLAM

With regard to the phenomenon of the religious revival in the Moslem world, we should be aware that this development constitutes, in part, a moral backlash against the excessive materialism, greed, and corruption that always seems to accompany rapid modernization and industrialization. The revulsion against these trends in the Islamic world has been dressed in a religious garb covering a complex set of reactions, in part a regressive fundamentalism and in part a more open, progressive response somewhat similar to the European counterreformation of the sixteenth century.

We should remember that all countries in the ASEAN region have important Moslem populations. In the coming decade the region is bound to be affected by developments in the Islamic world in the Middle East and South Asia. It is of course impossible to foresee the shape of the problems this might create in the ASEAN region. But it would be foolhardy to ignore the likelihood of their arising in the not too distant future.

ASEAN AND REGIONAL SECURITY

The future of ASEAN is now a matter of particular interest, given the renewed turbulence in Indochina. Some observers are raising the question of whether ASEAN should not gradually assume security functions in addition to its political and economic roles. In my view, the greatest mistake ASEAN could make would

be to abandon the primacy of economic development as the mainstay of stability in the region. The ASEAN states do not have the resources to both arm themselves and successfully pursue economic development plans. An armed ASEAN without adequate economic development would be self-defeating. I am quite confident that the China-Vietnam conflict and the pressure that is now being put on Thailand by the Vietnamese incursion into Kampuchea will not break ASEAN solidarity. This, of course, may not be the only test that ASEAN will have to face in the next ten years. There is the likelihood that all countries of the Association will have to go through problems of leadership succession in the 1980s. They will also have to deal with problems arising out of rapid economic development and its uneven impact on delicate social and ethnic balances.

Another test of ASEAN solidarity might be the impending independence of Brunei. And finally there is the problem of the great disparity in growth rates between, let us say, Singapore and the other countries of the Association, especially those with large populations. The demonstration effect of Singapore's high consumption patterns may lead to expectations in the other countries that will seriously strain their political systems. This problem is, of course, only part of the more general need to develop new and mutually beneficial, and therefore non-exploitative, relationships between the newly industrialized countries in the Asia-Pacific region and the low-income, populous latecomers to the development process. I have no doubt, however, that ASEAN will pass these tests.

THE CREDIBILITY OF AMERICA'S REGIONAL SECURITY ROLE

Before concluding this brief *tour d'horizon*, I would like to refer to the particularly troublesome issue of nuclear proliferation. The pursuit of an autonomous deterrent capacity by any country in the Asia-Pacific region would have profound consequences for the region as a whole. South Korea is not the only country that is thinking, if not talking, about the development of an autonomous nuclear deterrent capacity. The critical factor here obviously is not the rational calculus pertaining to nuclear weapons, but the credibility of America's political will, the perceptions of Asian countries regarding the American political capacity to act according to its security commitments, as distinct from verbal assurances and policy statements. Where does the United States think it is going, and where is it perceived to be going by the other countries in the region? There are deep uncertainties in Asia about America's political will and about its capacity to get on top of its domestic problems and subsequently to provide international leadership. These uncertainties lie at the heart of the anxieties that exist within the region regarding security prospects for the 1980s.

This brief enumeration of the profound changes that can be expected in East Asia in the 1980s, and some of the problems these may pose, highlights my view that regional security in the coming decade will not be primarily a military problem but will be more economic and geopolitical in character. Nor will these social changes and economic processes be amenable to manipulation by external forces through the application of military power—either by the United States or by the Soviet Union. We should also realize that we are at the beginning of an historical process, one that is long in duration and conflict-laden, that will eventually see the

emergence of new, non-Western civilizations alongside those of the West: a Sinitic civilization, a Hindu, a Moslem, and possibly others. This is not an unlikely development, especially in light of the continuing reduction of American power relative to the rest of the world. Undoubtedly, for a long time the United States will continue to be the strongest political, military, and economic power on the globe, but in terms of its capacity to shape the international order and to influence the course of history, that power is going to be increasingly limited.

What are the implications of such trends for the United States? There is in the first place a need for the United States to realize that under present world conditions, its security can no longer be unilaterally defined and safeguarded. It will have to learn to live—with some degree of equanimity and self-confidence—in an international environment that will be increasingly uncertain and vulnerable. It will also have to realize that these uncertainties and this sense of vulnerability will not be overcome by the development of military strength alone. Of course, nobody denies the need for the United States to sustain adequate military strength as an essential element in the strategic balance and in contributing to the viability of the international system, such as it is. But I believe it is very important for the United States to accept the limits to its capacity to influence the very deeply rooted social and political processes now transforming various parts of the world, and to resist the temptation to use its military power for political purposes in the mode of earlier decades and historical periods.

At the same time, the nature of the changes that are likely to take place in the various countries of East Asia, affecting the security of the region as a whole, suggests the need for the United States to enlarge the range of available instrumentalities that would enable it to interact wisely and effectively with these countries while these processes of change are going on. This means, first, a more effective structure for continuous and intensive communication. The transformations of the 1980s will entail changes in interests, shifts in perception, and also new uncertainties, new fears, new aspirations, and new tensions. To deal with them will require much more intensive and frequent communications across the board, bilaterally and multilaterally. One necessity for effective communication is a research institution like the OECD for the Asia-Pacific region, an institution capable of articulating the broader implications of specific national policies. In the course of the next ten years, it might be possible as well as desirable to establish an Asia-Pacific forum encompassing all the countries in the region, irrespective of ideological orientation, as an indispensable instrument for tension management.¹⁰ Japan may be the only nation that will be in a position to take the initiative for the establishment of such a forum, although one might be started on a subregional basis—a Northwest Pacific Forum, or a Southeast Asia Forum encompassing ASEAN as well as the countries of Indochina.

America's capacity to deal with the security implications of the changes that can be anticipated for the 1980s will also require greater emphasis on education that relates to the Asia-Pacific region. The recession in the United States in the past decade has led to the partial dismantling of its infrastructure for listening to and interacting with other cultures. There have been significant cutbacks in the opportunity for people from Asia, both civilian and military, to study in the United

¹⁰ See further discussion of this concept on p. 214 below.

States. It is important to reverse this trend. Likewise, foreign-area studies in the United States have been drastically cut back.¹¹ It is very important to enlarge the number of experts and the quality of expertise on the various countries in the Asia-Pacific region available to the United States. There is also a need to combine expertise on the Soviet Union and the Pacific region. And in view of the crucial importance of developments in the Islamic world for America's security interests, the number of centers for Islamic studies in the United States is sadly inadequate.

Finally, there is the matter of cultural policy. Given the rapid pace of developments in East Asia, it is of the greatest importance that within the region there be a greater sharing of perceptions of the nature and the direction of changes that are taking place in Asia as well as in the world at large. If there is any validity to my surmise that we will see the emergence of a number of modern non-Western civilizations in the world, there will likewise be a variety of non-Western forms of modernization. It is important that the United States develop the capacity to understand these different processes and paths of modernization and, if possible, to maintain contact with them in order to share certain basic values. Cultural policies, by themselves, will not solve political conflicts, but they could help to change perceptions of social and political trends and conflict situations and could thus exert a positive influence on the terms by which tensions will be managed or conflicts resolved.

¹¹ A detailed analysis of the current state of foreign-area training and research in the United States is given in Sue E. Berryman, Paul F. Langer, John Pincus, and Richard H. Solomon, *Foreign Language and International Studies Specialists: The Marketplace and National Policy*, The Rand Corporation, R-2501-NEH, September 1979.