Asia Pacific Security Outlook 1997

edited by Charles E. Morrison

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East-West Center

In Cooperation with:

Research Institute for Peace and Security

**ASEAN Institutes of Strategic and
International Studies**

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FOREWORD

The Asia Pacific region is undergoing a transition toward a new pattern of regional security relationships whose longer-term outlines remain murky. Many agree that the regional security environment in the 1990s has been more benign than at any time in living memory. There is no consensus, however, on whether this environment may further improve or deteriorate; arguments can be marshalled for both points of view. Many points of tension and potential conflict remain, of which the Korean peninsula and Taiwan are only the most obvious. The uncertainty and the potential for future conflict make the continuing search for a new and more stable security order a regional priority.

The Asia Pacific Security Outlook seeks to contribute to this search by monitoring perceptions of threats to national security, national defense doctrines and issues, and national contributions to regional and global security. It differs from other current annual security overviews in that it has been developed on the basis of background papers prepared by analysts from the region itself, each writing on the mainstream perceptions in their own countries.

The emphasis in this Outlook is on subjective perspectives, not on objective reality nor on defense statistics. Thus many of the views and quantitative data presented in the country perspectives will be questioned by many readers, just as they were among the group of analysts who prepared the report. This, in fact, is intended. It is hoped that repeated exercises of this nature will help identify differences and facilitate dialogue in exactly these areas of controversy, especially among the younger generation of security analysts in the region. It is through such dialogue that a greater sensitivity to other perspectives and a narrowing of differences can be achieved.

The Outlook is keyed to the ASEAN Regional Forum (ARF). Initiated by the ASEAN group of Southeast Asian nations in 1994, the ARF annually brings together ministers, and more frequently senior officials, of major Asia Pacific countries. This first Outlook includes perspectives from 15 ARF members out of a total of 18 ARF members at the time this report was being prepared. ARF has been expanding its membership, and we hope future issues of this report will have broader representation from the member countries.

The Asia Pacific Security Outlook was prepared at the East-West Center (EWC) in collaboration with the Research Institute for Peace and Security (RIPS), and the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS).

Charles E. Morrison organized the effort and edited this report. He is grateful to Masashi Nishihara of RIPS and Jusuf Wanandi of the Centre for Strategic and International Studies for their strong support and assistance at all stages of preparing this report. The bulk of the information and analysis contained in this report came from country background papers prepared by paper authors and workshop participants who are identified earlier. David Wolff, formerly with the East-West Center, greatly assisted in the first phase of substantive editing of the country background reports. Stephen Noerper provided further editing assistance in the later stages of the project. The editor is especially grateful to Richard Baker, Richard Teare, and Lee Endress for reading and commenting upon certain parts of the report.

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THE REGIONAL OVERVIEW

At the beginning of 1997, the security outlook for the Asia Pacific region looks quite positive for the nearer term, but with specific points of danger and many underlying sources of longer term tension. Optimists emphasize that large power relations in the 1990s have been at their most benign compared to any previous period in this century. At the domestic level, armed insurgencies are also at their lowest ebb in decades. The region's governments and societies have made economic development their central concern, and understand that economic growth requires a peaceful political environment. The lowering of policy barriers to economic interaction has resulted in a growth of economic, social, and cultural links in the region as a whole and, most importantly, across most of the former political faultlines. Bilateral security dialogues have multiplied, and multilateral security dialogues—the intergovernmental ASEAN Regional Forum (ARF) and the “second track” Council for Security Cooperation in Asia Pacific (CSCAP)—have been initiated and are gradually assuming substance.

Pessimists point to such dangerous areas as the Korean peninsula and Taiwan Straits, both of which have witnessed major tensions and military demonstrations in recent years. Other international problems include unresolved and contested claims to territory and frequent disputes over trade and other issues that can erode security relationships and increase tensions. At the domestic level, rapid socio-economic change fostered by interdependence places pressures on existing institutions and may produce instability and heighten nationalism. The multilateral consultation processes are only newly emerged and untested, and multilateral dispute resolution mechanisms are largely unformed or ad hoc and informal. The spreading webs of interdependence are only beginning to establish an Asian or Asia Pacific regional society and sense of community. Although military spending as a share of Gross National Product has tended to decline in the region, absolute levels of military spending continue to rise, and virtually all countries are engaged in efforts to upgrade their defense capabilities. Differential rates of economic growth suggest that there will be major power transitions in future years that may be fraught with tensions.

The Asia Pacific Security Outlook is developed from the contributions of country security analysts from around the region, who wrote background country reports, participated in a workshop to compare notes and discuss the issues, and responded to a questionnaire on an anonymous basis. It does not seek to provide a consensus view. As a group, the analysts reflect both optimistic and

pessimistic perspectives on an uncertain security environment. In this overview, we provide a "watch list" of the issues of most concern to the analysts based on discussions and the questionnaire and draw out some of the cross-cutting themes that emerged in the country papers. These papers focused on three areas: national security perceptions, defense doctrines and issues, and contributions to regional and global security.

In general, most analysts tended to be more optimistic about the nearer term outlook and more deeply concerned about the longer-term outlook. Despite individual variations, those from Southeast Asia and the Southwest Pacific are inclined to be more optimistic about the stability of the region as a whole, its institutional development, and its ability to accommodate differences among neighbors. On the whole, those from Northeast Asia and North America are more pessimistic, and are more inclined to see the region's future security relying on power balances rather than institutional development.

This reflects the different circumstances of the subregions. In Northeast Asia, interests of the large powers intersect and there is a tradition over the past century or more of viewing regional relations in balance of power terms. The presence of divided nations in the subregion gives it a potentially explosive quality and, not unrelatedly, it has the sparsest development of international institutions. In contrast, the Southeast Asian and Pacific countries have been quite successful in utilizing informal modes of frequent consultation among elites to dampen traditional differences and establish an emerging sense of community. Countries in these subregions have also been the most active and successful in developing new formal and informal security arrangements, including nuclear free zones for their respective areas and the ASEAN Regional Forum.

Despite these differences of outlook, there is wide agreement among the security analysts on the broad issues of critical importance. Our "watch list" includes two issues—the Korean peninsula and territorial disputes—that can suddenly become critical or may remain issues in the longer-term. Two other issue areas—large power relations and arms modernization—are usually seen as significant or worrisome in the longer-term. However, Sino-American differences over Taiwan and a host of other issues in 1995–96 did attract considerable attention to the more immediate security issues associated with this key trans-Pacific large power relationship.

THE WATCH LIST

The Korean Peninsula. The Korean peninsula represents the area of foremost current security concern for the Asia Pacific region for a number of reasons. It is the one area of the region that has been most resistant to the positive trends in post-Cold War relations occurring elsewhere. Economic and other contacts remain minimal across the Korean divide, and military forces on both sides are massive and are deployed near the Demilitarized Zone. Military tensions were rekindled again in September 1996 when a North Korean submarine ran aground off the coast of the South, triggering a large South Korean manhunt. North Korea's December expression of regret for this incident was an encouraging sign, and permits restarting the multinational KEDO (Korean Energy Development Organization) program to transfer light water reactors to the North in exchange for the North's ending its indigenous nuclear reactor program. Nevertheless, the prolonged and severe food and economic crisis in the North, the uncertainties about that country's political future, the absence of confidence-building measures between the two Korean governments, and the minimal involvement of North Korea in regional and global dialogue institutions make the peninsula high on any regional or global list of places to be monitored and given attention.

Territorial Conflicts. Unresolved territorial conflicts are probably the most widespread and volatile security problem in the region. There is virtually no Asian country without some land or maritime boundaries in dispute. Although most of these involve uninhabited islets, they have much broader significance because of their importance in terms of marine and seabed resources and as symbols of national integrity and influence. Few governments have the courage to resolve such claims if resolution means potentially having to concede ownership. An October 1996 decision of Indonesia and Malaysia to refer one dispute to the International Court of Justice is a rare exception. More typically, governments seek to set the disputes aside and leave them to coming generations to resolve.

Because the disputes remain unsettled, they tend to cause recurring if brief flare-ups. Sometimes these are the result of the efforts of one government to strengthen its claim to a territory. At other times, the flare-ups have been provoked by subnational groups. While primary concern in 1994–95 was with maritime disputes in the South China Sea, in 1996 two disputes in Northeast Asia flared briefly—the Takeshima/Tokdo dispute between Japan and South Korea and the Daiyu/Senkaku dispute involving Japan and China. In both cases, the governments involved sought to ameliorate tensions, and bilateral leaders'

meetings alongside multinational summits helped this process. However, both disputes also illustrated the potential in pluralistic societies for nongovernmental actors to exploit and heighten such tensions. In the case of the Daiyu/Senkaku dispute, the driving forces for conflict came from nationalist activists in Japan, Hong Kong, and Taiwan. Thus such disputes can provide the tinder for conflict, tinder that can become especially dangerous where deeper sources of suspicion or conflict exist.

Large Power Relations. For the medium and longer term, the primary security concerns of the Asia Pacific Security Outlook analysts focus on a broader set of issues associated with large power policies and relations, particularly between China and the United States. There is currently no central conflict among the large powers comparable to the Cold War Sino-Soviet or Soviet-American conflicts. Large-scale economic interactions and human exchanges are occurring between China, Japan, and the United States, quite in contrast to the Cold War rivalries. Even when large power relations have become especially frosty, as Sino-American relations did during much of 1995–96 following Lee Teng-hui's visit to the United States, they have a tendency to recover, as Sino-American relations did in the second part of 1996. Lines of communication remain open and are reinforced by regional meetings, such as the APEC ministerial and leaders meetings, that maintain contact at senior levels. Leaders want these meetings to go well, and this puts a premium on patching up outstanding disputes.

Fluctuations in relations are bound to occur between countries with different systems, traditions, and outlooks. Of deeper concern is the potential for a reemergence of longer-term, polarizing conflict. There are disturbing signs of a hardening of attitudes within each of the larger powers about one or more of the others. Such attitudes affect dominant interpretations in one society of specific actions of the others and establishes a climate in which seemingly small disputes can take on heightened significance and become symbolic of the deeper mistrust in the relationships. If they persist, such attitudes can become the basis of new fault-lines of longer term rivalry and tension.

The security specialists in China, the United States, Japan, and Russia all report signs of attitudes and outlooks that can become very dangerous. Chinese are said to be increasingly convinced that the United States wants to "contain" China and thwart its development into a full-fledged power. The strengthening of U.S.-Japanese security ties in 1996 reinforced this perception. Russian attitudes are reportedly becoming more nationalistic, as hoped for benefits from interaction with the West have not materialized and as the West moves forward with NATO expansion. In the United States, attitudes towards China are reported

to have become much more negative after the Tiananmen incident in 1989, and China's economic growth and military modernization stimulated fears among some Americans of a longer term threat from China. Last year's tensions in the Taiwan Straits further reinforced these American views, just as they fed Chinese suspicions of the United States. Japanese are also said to be increasingly concerned about China's political ambitions in the region.

These key bilateral relationships contain elements of suspicion and mistrust as well as of cooperation. Frequently, where suspicions exist, there is a tendency in each country to see the disparate elements in the policy of the other country as related and motivated by the same negative animus. While such suspicions have not hardened nor reached truly alarming levels, they are clearly important and underscore the continuing need for dialogue and interaction on security and military issues and the building of a broad-based fabric of relations across many different sectors.

Arms Modernization Programs. As noted in our country reports and elaborated below, virtually all the countries of the region are engaged in arms modernization programs. In contrast to other world regions, military modernization efforts have significantly increased rather than decreased in East and South-east Asia. However, a number of factors make this trend seem less worrisome than it would appear on the surface. First, in most cases modernization is occurring in the absence of a clear-cut sense of enemy or competitor and in this sense do not have the character of an arms "race." Second, defense effort as a share of national budgets or of the overall size of the economies (GDP) have been dropping for most countries. Because of rapid economic growth, many Asian countries have more to spend on arms but this does not necessarily mean that they are spending a larger share of their available resources on arms. Third, arms modernization is usually associated with reduced manpower. Many countries have substantially reduced the size of their armed forces including China, Japan, Russia, Thailand, United States, and Vietnam. Finally, in many cases defense specialists generally acknowledge that equipment is outdated or insufficient to meet increased non-offensive defense missions, such as improved patrolling of Exclusive Economic Zones (EEZs).

For this reason, very few of our security specialists see the arms procurement efforts as a near-term cause of tensions. But there is more concern in the longer run. Over time, increased arms procurements, particularly by large countries of technologically advanced equipment, do feed neighbors' suspicions and may undermine the positive impact of the still nascent confidence building measures. Arms registers, for example, are not that reassuring when they register

substantial purchasing not seemingly related to security needs or when disputes arise as to whether the figures being provided are accurate.

NATIONAL SECURITY PERCEPTIONS

The country contributions focus on three areas—security perceptions, defense doctrines and issues, and contributions to regional and global security. The dominant threat perceptions among the ARF member countries vary according to their political and economic circumstances, their social make-up, and their historical legacies, but there are significant common elements.

First, for virtually none of the ARF countries, with the possible exception of South Korea, is there widespread fear of an imminent full-scale invasion or attack from another country in the near future. Thus fears of external military invasion appear to be at their lowest ebb in recent history. However, official rhetoric notwithstanding, it appears that in many societies threats of one kind or another are associated with specific neighbors. Moreover, many smaller and medium-sized countries fear the loss of remote disputed territories, incursions into maritime EEZs, or an erosion of their relative power vis-à-vis stronger powers that may increase their vulnerability to coercion. Protection of sovereignty and full independence is highly valued, and adequate military power is seen as essential to this protection.

Second, despite reduced external military concerns in the short term, there is considerable doubt about the longer term about the continuity of some of the key elements that underlie the relative stability the region has enjoyed in recent years—China's outward-looking modernization policies, the Sino-American détente, the U.S.-Japan security relationship, the U.S. forward presence, positive Sino-Japanese and Sino-Russian relations, and the political integrity of major powers in the region such as Russia and China. Security concerns are less focused on direct aggression than on the engulfing effects of potential disorders created by new large power rivalries or, more speculatively, the collapse of a major state. The management of China's emergence (or re-emergence) as a superpower, and the possible power transition between China and the United States, are widely cited as the most critical long-term security issues facing the region.

Third, internal military threats to national integrity remain, although dampened in much of the region as state power and authority has grown. China and the Korean peninsula are two special and very significant cases of nations divided by unresolved civil wars with potentially system-wide implications. As pointed out above, these cases are frequently cited as the most dangerous

potential triggers of renewed conflict among major powers in the region. In both cases, the division of the nation was congealed by the Cold War, and state structures were set up that in each case controlled millions of people and governed in a sharply defined physical territory. This has given a sense of permanence to these divisions, both externally and internally, although the official positions of both parties in Korea and China is that there should be reunification. Despite the opening of communications and, in the Chinese case, substantial economic ties and human interactions, deep suspicions remain. Periodically, one side seems to want to test the limits and the international support of the other, and these tests of brinksmanship make miscalculation and a reopening of conflict appear quite possible despite the strong desire by all involved as well as the international community, that future political arrangements be reached peacefully.

Aside from the special Chinese and Korean cases, the Philippines, Russia, and Papua New Guinea face significant active insurgencies in outlying territories. Although the separatist insurgencies among Muslims in the southern Philippines, the Chechnyan minority in the Russian Caucasus, and in Bougainville in PNG involve small and relatively remote areas in these countries, they can have a wider national political and social impact. The insurgents are or may be a terrorist threat far beyond their home areas, and the effective handling of the insurgencies represents difficult and potential treacherous challenges to current national leaders, thus threatening their political survival. Beyond these three countries, others have multi-ethnic populations or far flung territories (such as Tibet in China and West Irian or East Timor in Indonesia) that are not fully politically, socially, or culturally integrated with the main body of the country or where significant numbers passively if not actively question the legitimacy of the national government. In such areas, the potential for an activation or reactivation of serious separatist threats remains a concern to civil and military authorities.

Finally, in many societies, non-traditional security issues—the health of the economy, the protection of the environment, and the preservation of a strong domestic society against corrupting influences—have taken on increased relative importance in national priorities. These, however, are frequently seen in developing Asian societies as national security issues. In the more developed countries, non-traditional threats are usually viewed as serious social or economic issues that threaten national or personal well-being, but generally not as threats to national security. This may reflect differences in basic thinking about what constitutes “security” or it may reflect a greater sense of vulnerability in weaker states with less-well established political, economic, and even social systems.

DEFENSE POLICIES AND ISSUES

National defense doctrines in the Asia Pacific region reflect these perceived security threats and the needs derived from them as well as stylistic differences. In developing Asia, defense doctrines typically address a broad set of security concerns and objectives, emphasizing social cohesion and nation-building efforts generally and responding to both internal and external security considerations. In Southeast Asia, for example, most governments have adopted various forms of comprehensive security doctrines that emphasize overall "national resilience." In contrast, in the Anglo-Saxon countries (Australia, Canada, New Zealand, and the United States) as well as in Japan, a sharp contrast is drawn between the military and civil domains, and defense doctrines and debates are confined to policies designed to counter actual or potential military security threats. However, the governments of these countries also tend to see the security environment in developing Asian societies in more comprehensive terms, and have fashioned their own contributions to regional security in these areas accordingly, with Japan and Canada perhaps most forthright in advancing notions of a comprehensive security doctrine.

For this reason, changes in the external environment associated with the end of the Cold War have had a much stronger impact on the doctrines of the advanced countries than those addressing a more comprehensive set of security issues. The advanced country governments have been realigning defense doctrines and planning to meet new sets of external challenges. With reduced concern about a single, large threat, planning has shifted toward other contingencies such as a diversity of smaller-scale threats and potential uses of military forces, such as regional threats in the case of the United States or participation in United Nations peacekeeping activities in the case of Japan. These advanced countries have generally reduced their defense spending as a share of national budget in the early post-Cold War years.

Both developing and more developed Asia Pacific countries are changing the way they spend their defense dollars. The trend is toward more professional, technologically sophisticated military forces. Most countries are substituting technology for manpower, reducing the sheer numbers of defense personnel and increasing spending on advanced weapons systems, salaries, training and readiness. There is a decided trend in the region toward smaller-sized, but more professionally capable and better trained and equipped military forces. In some countries where the military has traditionally played a strong role as a political force, the growth of professionalism has been accompanied by a tendency to

withdraw from politics. The political role of the military, however, remains a key issue in some Southeast Asian countries, such as Indonesia and Thailand.

For the principal Cold War antagonists, Russia and the United States, the end of the Cold War was accompanied by sharp reduction in new weapons procurement, and this is true also of many of their principal allies or former allies. However, in much of developing Asia, funding for the defense function in general and weapons procurements in particular has risen. In Southeast Asia, for example, there has been considerable emphasis on acquisition of advanced fighter aircraft, missile technology, and more modern naval craft. This region has emerged as one of the largest weapons markets in the world.

Some analysts, looking at these trends which appear in sharp contradistinction to global trends, have argued that Asia is engaged in or is on the verge of engaging in an arms race. We find little regional perception of an arms "race." In most cases, purchases do not seem to be made to counter militarily-threatening increased capabilities of others, although perceived security deficits and competitive pressures, even among friendly countries, do play a role in the overall regional trend for military modernization. Most Asian governments perceive their defense expenditures and arms purchases in terms of routine military modernization efforts in line with overall economic growth and enhanced security needs, for example, to protect and patrol maritime EEZs. However, naval modernization, for example, may be spurred not simply by the need to patrol enlarged maritime jurisdictions, but to have the capability to occupy and supply claimed but uninhabited islets or reefs that otherwise might be occupied by another claimant. Moreover, substantially increased spending on advanced systems gives rise to international suspicion and may weaken the impact of confidence-building measures and international cooperation.

In some cases, domestic inflation, cutting the purchasing power of defense expenditures, or currency appreciation, inflating the dollar value of such expenditures, have distorted military spending figures. In dollar terms, Japan's defense spending is far larger than that of any other country and has grown in dollar terms. Japan's defense spending, however, remains only 1 percent of its gross national product (or about 1.5 percent using the NATO definition of defense spending including veterans payments) and its dollar value has increased principally as a result of foreign exchange rate changes. Other features of Japan—its aging population, its non-nuclear policies, its strong strain of domestic pacifism, the relative openness of its defense budgets and policies, and Japan's security links to a larger, status quo oriented power—have tended to reassure neighbors that Japan is not embarked on a major military build-up.

In China's case, domestic inflation has boosted yuan figures, contributing to the image of a sharp escalation of defense spending. The "true" defense spending figures for China are hotly contested. Official statistics place it at 1.5 percent of GNP, but analyses by private organizations, such as the London-based International Institute of Strategic Studies, estimate it at double this figure or even more. Less important than the statistics themselves are China's procurement plans and the potential use of modern weaponry. There is a strong consensus among Chinese and outside military analysts that China's defense equipment is antiquated and needs modernization. On the other hand, China's ambitious modernization program comes at a time when other large powers have been downsizing their military forces, raising questions outside China about its ultimate motivations. China, therefore, faces a special challenge to convince others that its military modernization efforts should not be viewed as a troubling element in the future regional security outlook.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

Some of the ARF member countries have been traditionally deeply involved in regional and global issues beyond their immediate security needs. Others have been preoccupied with national economic recovery and development and have been relatively inactive in international security affairs. But as the political and economic weight of many of the Asian countries has increased in global affairs, these countries will be increasingly called upon to contribute to regional and global order. There is considerable evidence of growing contributions.

Currently countries in the region are engaged in a variety of efforts at the national, bilateral, subregional, and regional levels that may contribute to the regional order. The most basic national contribution to international order is the building of a strong, well-governed, and self-reliant society at home. This view has been probably most highly articulated among the ASEAN group of countries where "national resilience" is seen as leading to "regional resilience." Economic and social development in these countries has helped to stabilize their political systems and given them more confidence in their relations with each other and the outside world. At the same time, beginning with its founding in 1967, ASEAN has become an important building bloc toward a subregional community in Southeast Asia by strengthening linkages among its members and providing a vehicle through which they could concert their views on some issues in their immediate region, increasing their bargaining leverage.

The creation and development of the ASEAN Regional Forum at the initiative of ASEAN is regarded throughout the region as a significant ASEAN contri-

bution to regional security. The ARF is the first Asia Pacific-wide formal inter-governmental security consultative process. At the same time, it is understood that the ARF process is new, fragile, and must be built step by step. It is likely to be many years before ARF develops significant order-maintaining capabilities. In responding to the questionnaire, the Asia Pacific Security Outlook analysts expect ARF to emphasize intensified dialogue, consultations, the exchange of information, encouragement of transparency, and other relatively politically benign confidence building measures rather than pursue the creation of formal treaties or conflict resolution mechanisms. The hope is that repeated experiences with positive benefits in less controversial areas will gradually build habits of working together and permit ARF to move toward more ambitious and controversial tasks.

Most countries are engaged in strengthening bilateral consultations within the region, both at the unofficial and governmental levels. Increased consultations at the bilateral levels have occurred between China and Russia, Russia and the United States, Japan and the United States, as well as among medium-sized countries such as Australia and Indonesia. Other consultations and interactions occur through the remaining alliances, virtually all of them bilateral, one-sided, and centering on the United States (except for the Five Power Defense Arrangements connecting New Zealand, Australia, and the United Kingdom with Malaysia and Singapore).

There has been increased Asia Pacific participation in United Nations regional peacekeeping, although East and Southeast Asian contributions so far remain quite limited. For political reasons, small and middle-size countries have tended to provide the backbone of military contributions for UN peacekeeping. Of the Asia Pacific countries, Canada and Australia have been traditional contributors to UN peacekeeping activities. Malaysia is an increasingly active contributor, especially in Muslim countries. In recent years, Malaysian forces have contributed to UN peacekeeping in Somalia and Bosnia.

The region includes a number of countries which have been activists in seeking to strengthen international arrangements on arms control and security matters. As the countries of East and Southeast Asia have increased their technological capabilities, they have also become more active in international negotiations on arms control issues, such as the extension of the Non-Proliferation Treaty and various international conventions related to Weapons of Mass Destruction. However, with several exceptions, such as Australia, Canada, Russia, and the United States, which have long traditions of involvement in such negotiations, most Asia and Pacific countries remain secondary players in the shaping

of international institutions. China, as a permanent member of the Security Council, and Japan play increasingly important roles at the global level. Most other countries have focused their international arms control and peace-keeping activity on regional or subregional issues. The South Pacific countries and the ASEAN countries have both established nuclear-free zones and sought international recognition for their efforts. The ASEAN group, along with Japan and the permanent members of the Security Council were involved in one phase or another of the Cambodian settlement, some of them over a long period of time.

THE CHALLENGES AHEAD

Given the massive social forces transforming Asian societies, the unsettled issues of governance within Asian states, and power transitions taking place in the broader Asia Pacific region, no one should expect the future security outlook in Asia and the Pacific to be without crisis and conflict. In recent years, however, the societies of the Asia Pacific region have been remarkably successful in assimilating and accommodating change, preventing spillovers from domestic conflict, limiting international disputes or postponing them for future generations and building new modes of intergovernmental dialogue. Our comparisons of national perspectives on the regional security environment, defense doctrines and issues, and regional and global security also provide some basis for optimism about the region's future security outlook. No ARF member-country is experiencing an acute security crisis, nor is there a regional perception of a security crisis. The concern is more with issues of the future, and this gives the region further time to improve the climate of understanding at the bilateral, subregional, and regional level and strengthen and expand today's fragile institutions and confidence-building measures.

AUSTRALIA

THE SECURITY ENVIRONMENT

For Australia, the emerging security environment in the Asia Pacific presents a mixed picture. The region is currently more stable than it has been for decades. Australia is not threatened militarily, nor likely to be in the near future. It has good security relationships with all regional states and continues to develop them within a policy of "regional engagement", involving cooperative bilateral and multilateral measures. Bilateral defense cooperation with Southeast Asian neighbors—Indonesia, Singapore and Malaysia in particular—is increasing dramatically in the 1990s. Most recently, in December 1995, Australia and Indonesia signed an historic Agreement on Maintaining Security. Australia is a founding member of the region's first multilateral forum for security dialogue, the ASEAN Regional Forum (ARF), and the first official multilateral economic forum, APEC. There are nonetheless, other less optimistic regional dynamics affecting Australia's security outlook. Chief among these: the unprecedented pace and scope of change in the region; the increasing complexity of regional security concerns; and the pervasive uncertainty arising from these regional dynamics.

Economic Change. The most important change in the region is economic. Economic strength has become the single most important index of national power. Growth trends in the region do not favor Australia to the same extent as its trading partners. The combination of low and relatively unstable rates of economic growth, high foreign debt levels and persistent current account deficits, low national savings rates, and fluctuating market shares in key commodities make Australia's future economic performance somewhat uncertain. The region's economic dynamism also cannot be taken for granted, nor assumed to be without contradictions, or benign in all respects. The Asia Pacific economy is dependent upon resources from outside the region. Sea lines of communication are long and vulnerable. And while growing economic interdependence reduces threats between states by raising the costs of conflict, economic growth increases political and military power, which sustains uncertainty about the future conduct of states.

Geostrategic Change. The most obvious geostrategic change is the relative decline of the presence and influence of the two superpowers. The region is now undergoing a transition from bipolarity to an undefined form of multipolarity, involving other regional powers such as China and Japan. Russia

has essentially withdrawn its forces from the region to home territory. U.S. capabilities were reduced by 15 percent in the early 1990s. Although further reduction is unlikely, there is considerable residual uncertainty concerning the future U.S. commitment to the region. U.S. attempts to assuage these concerns have generally been ineffective, notwithstanding reassurances in the U.S. Defense Department's 1995 publication, *United States Security Strategy for the East Asia Pacific Region*, the signing in 1996 of the Japan-U.S. Joint Declaration on Security, and the U.S. intervention in cross-straits tensions between China and Taiwan in March 1996.

Other actors in the region are growing in significance and pose geostrategic uncertainties. In regional terms, Japan already has a substantial and very modern naval force. There is no doubt it will increasingly seek a role in regional political and security affairs that is more commensurate with its economic and military capabilities. China is the largest power in Asia, but there is uncertainty about its future internal stability and foreign policies. It could well emerge as the world's largest economy by the second decade of the twenty-first century with commensurate political and military power. The relationship between China and Japan will become an important factor in the region's security. There are also some developments involving India which affect the Asia Pacific region. These developments impact on lesser regional powers, such as South Korea and ASEAN: all these countries are currently engaged in arms acquisition programs, involving the modernization and enhancement of air and maritime capabilities.

Regional Concerns. There are some three dozen issues of potential conflict in the region. The most serious concern inter-state relations between the ROK and the DPRK, China and Taiwan, and the five countries which are claimants to all or parts of the South China Sea. Other competing sovereignty claims, territorial disputes, and challenges to government legitimacy involve countries close to Australia, such as the North Solomons (Bougainville) in Papua New Guinea (PNG), and the Irian Jaya/PNG border.

Maritime issues are among the most important current concerns. Half the conflict points in the region involve offshore issues, and many emerging security concerns, such as piracy, oil spill pollution, and exploitation of offshore resources, are maritime issues. The 1982 UN Convention on the Law of the Sea (UNCLOS III) has introduced new uncertainties into the region, particularly in connection with the Exclusive Economic Zones (EEZs) and archipelagic state regimes. These concerns, together with the requirements for defense self-reliance, are reflected in the significant maritime dimension of the current arms acquisition programs in the region.

Defense spending in the region is another cause for disquiet. Asia's defense spending continues to grow, although there is little to suggest that an arms race is underway or that Asia is becoming the world's "arms bazaar". Indeed, the Asian share of the world's total imports of major conventional weapons peaked at 38.4 percent in 1989. But, the build-up continues—albeit at a slower rate in most countries—and another round of increases cannot be ruled out. Moreover, the nature of many of the weapons systems, and the lack of trust surrounding their acquisition, are reasons for concern. One of the most disturbing aspects is the acquisition by several countries in the region of new technologies (such as ballistic missiles) and weapons of mass destruction.

China, and its future role in the region, occupies an increasing amount of time in regional security discussions. Its defense acquisitions are a major focus of interest. For many states, including Australia, the more disturbing aspects are the lack of transparency attending the Chinese modernizations, the strategic purposes of the new capabilities, as well as the ultimate dimensions of the acquisition program.

DEFENSE POLICIES AND ISSUES

Defense Objectives. During the thirteen years of Labor government, from March 1983 to March 1996, Australia shifted its primary outlook toward the Asia Pacific region. This policy reflects a national priority driven by strong economic and security incentives. Economically, Australia seeks to benefit from the dynamic growth of business opportunities in the region, while defense planners see the country's future security likewise "linked inextricably to the security and prosperity of Asia and the Pacific". The Labor government, in a 1989 statement on Australia's Regional Security, articulated a "multi-dimensional approach" to Australian security: one that "goes beyond strictly military capabilities" to "embrace traditional diplomacy, politico-military capabilities, economic and trade relations, development assistance, immigration, education and training, cultural relations, information activities," and other areas of activity. The current Liberal-National Party Coalition government, which was elected in a landslide victory in March 1996, claims it will continue to "put Asia first", but that it will not have an "Asia only" policy. The Coalition has already "revitalized" Australia's security arrangements with its traditional ally, the U.S.

The Security Dimension of the multi-dimensional approach is conceived in fairly narrow terms by defense officials as relating to military threats to perceived national interests and the means to deal with those threats. The argument that security has become a broader concept is endorsed by defense planners

only insofar as factors such as environmental degradation might impinge on Australia's security as defined above. The core elements in Australia's defense posture remain the defense of Australia (continent, offshore territories, and maritime approaches), regional contingencies and regional defense cooperation. The Labor government's commitment to the defense of Australia, as opposed to forward operations, was unassailable. In the South Pacific, however, the government identified three particular contingencies in which Australian Defense Force (ADF) operations in this region might be authorized: (1) the provision of support for a legitimate government in maintaining internal security; (2) counter-terrorist operations; (3) the protection or rescue of Australian citizens abroad, in both opposed and unopposed circumstances.

The position of the Coalition government is less clear with respect to forward operations. In its first four months of office the government fulfilled its election intention to "rejuvenate" relations with the U.S.: the defense minister offered Australia as a possible site for U.S. pre-positioning ships, the foreign minister supported U.S. intervention in cross-straits tensions between China and Taiwan with two carrier battle groups (the only regional country to do so publicly); and in July 1996, during the annual Australia-U.S. Ministerial Consultations, Australia and the U.S. agreed to "enhance the defense relationship so as to effectively address future regional and global security challenges". In addition Australia agreed to an expanded military training program for U.S. armed forces in northern Australia and to the biggest U.S.-Australia military exercise since World War II.

The Economic and Diplomatic Dimensions of Australia's multi-dimensional approach to security are largely the responsibility of the Department of Foreign Affairs and Trade (DFAT). The priority tasks of DFAT are: (1) To advance Australia's economic interests through strengthening the multilateral trading framework, liberalizing trade, and consolidating Australia's economic integration into the Asia Pacific region through the APEC process; and (2) To advance Australia's strategic interests by enhancing the regional security environment through cooperative security approaches, limiting the proliferation of weapons of mass destruction and missile delivery systems, and strengthening the effectiveness of the UN in cooperative security arrangements.

Defense Spending. The 1994-95 Australian defense budget (A\$9,637 million) constitutes 8 percent of Commonwealth outlays and just over 2 percent of Australia's gross domestic product. The budget continues to decline in real terms by 0.5 percent annually, even though the economy is growing in excess of 4 percent per annum. Since defense spending in many regional countries is

growing, regional military capabilities will, in relative terms, shift against Australia over the long term. Personnel costs constitute, and will remain, the largest part of the budget. At just under 40 percent of the budget, personnel costs have been reduced from 60 percent twenty years ago. By 1997-98 Defence aims to reduce authorized staffing levels, both uniformed and civilian, by 12,000. This will be achieved partly by continuing the Commercial Support Project (CSP) which was initiated in 1990 to involve the commercial sector in "non-core" defense support functions. Under the Coalition government spending is being reduced dramatically, but this is unlikely to affect the Department of Defense, not least because there is bi-partisan support for a fixed five year defense budget.

Equipment, Procurement and Defense Industry. A major focus of Australian defense procurement has been the maintenance of a technical "edge" in defending the sea and air approaches to the continent. Australia is coming to the end of a ten-year, A\$20 billion, military modernization program. Key platforms include frigates, minehunters and submarines. Advanced fighter capability has been procured, supplementing existing air strike aircraft, and airborne early warning and control capability is projected. Under the current program the proportion of procurements from Australian suppliers has increased from 25 percent to 65 percent. Apart from underwriting Australia's policy of self-reliance, development of the defense industry is officially justified in terms of employment and modernization of sections of Australian industry. Projected Australian defense industry joint ventures with regional countries, while commercially motivated, could also contribute to regional defense cooperation. The United States remains Australia's most important overseas source, especially for high technology equipment.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

Australia's response to the emerging regional security environment is: (1) to strengthen its self-reliant defense posture; (2) to engage and cooperate bilaterally and multilaterally with regional countries across a range of issues using multidimensional means; and (3) to, according to Coalition ministers, "revitalize" the U.S.-Australia alliance. Apart from functional security imperatives, Australia has political reasons for pursuing a cooperative approach to security in the region. As a middle power, Australia relies on niche diplomacy, coalition building, and inclusive multilateral approaches. In practical terms, regional multilateralism serves to keep the United States engaged, constrains China and Japan, and gives small and middle-size powers, like Australia, a status they

would not otherwise enjoy. But Australia also continues bilateral cooperation and Coalition defense and foreign ministers plan to increase these arrangements.

Defense Cooperation. The ADF conducts a major exercise program with the United States. This is poised to expand quite significantly under the Liberal government. Close cooperation with U.S. forces strengthens the framework of continued U.S. presence in the Western Pacific, alleviating some of the regional concern about the possibility of U.S. withdrawal from the region. In recent years under the Labor government, however, the weight of the ADF's defense cooperation activities moved decidedly towards the ASEAN countries and other countries in the Southwest Pacific, including New Zealand, Papua New Guinea, and some of the Pacific Island nations. Defense cooperation between Australia and its Southeast Asian neighbors has burgeoned since the late 1980s. In 1993-94, Australia spent A\$229 million on cooperative defense activities with Asia Pacific countries. There are now more ASEAN defense personnel posted to Australia than U.S. personnel. The reciprocal side of Australia's defense cooperation is perhaps even more remarkable.

Most of the ASEAN countries are more engaged in cooperative defense activities with Australia than with any other country, including their own ASEAN neighbors. Australia also engages in other cooperative security activities, including intelligence exchanges and observer programs (central elements of greater regional transparency), monthly reciprocal visits by senior officers, and training and study programs.

The nature and extent of defense cooperation with ASEAN countries during the 1990s has revolutionized Australia's strategic relationship with Southeast Asia. Australia now seeks to further develop this relationship into a "strategic partnership" with ASEAN. There are, however, a number of constraints that inevitably impact on further enhancement of cooperation between Australian and regional defense forces. Military cooperation programs are expensive and resources are limited. A quarter of a billion dollars out of a A\$10 billion defense budget is a small percentage (2.4) but represents a major amount that could be put to other high priority uses. It is already evident that Australia's regional commitments impinge upon the effective carriage of nationally-oriented goals, and that further regional involvement cannot be undertaken without increased allocation of resources for that purpose. In addition to financial limits, management and planning resources may no longer be able to support further expansion of joint exercise activities.

One recent attempt to manage resources to better coordinate policy is the establishment of the National Security Committee (NSC): members will include

the prime minister, the ministers for foreign affairs and defense, the attorney general and the treasurer. The NSC will be supported by the Secretaries' Committee on National Security, which will bring together relevant departmental secretaries at least once monthly.

Economic Cooperation. DFAT has been active in encouraging institutionalization of regional economic cooperation. Australia has supported this approach at the nongovernmental level through the establishment of the Pacific Basin Economic Council (PBEC), initiation of the Pacific Trade and Development (PAFTAD) Conference, and the establishment of the Pacific Economic Cooperation Conference (PECC). At the official level Australia has helped to establish the Asia Pacific Economic Cooperation (APEC) forum and at the global level the World Trade Organisation (WTO).

Regional Dialogues. Australia has been at the forefront of efforts to institutionalize regional security dialogues. At the July 1990 ASEAN Post Ministerial Conference (PMC), the Foreign Minister, Gareth Evans, suggested consideration be given to the establishment of a Conference on Security and Cooperation in Asia (CSCA), similar to the Conference on Security and Cooperation in Europe (CSCE). Regional reaction to the proposal was generally negative. It was argued that conditions that had facilitated the CSCE "have not been obtained in Asia" and that the institutionalization of dialogue should proceed at a rate determined by regional interests and perceptions, and involve extant regional structures—most particularly, the ASEAN PMC. This approach led to the 1993–94 establishment of ARF as the first Asia Pacific-wide forum for regional security discussions.

Disarmament and Non-Proliferation Regimes. Since 1983, Australia has been active in international efforts to limit proliferation of weapons of mass destruction. Two of its "priority disarmament objectives" of the 1980s—promoting universal acceptance of the Non-Proliferation Treaty (NPT) and achieving a comprehensive nuclear test ban treaty (CTBT)—continue to be actively pursued. In 1995, Australia promoted indefinite extension of the NPT and through its efforts contributed to "a further five countries joining the NPT." In February 1996, Australia presented a CTBT Model Treaty Text to the Conference on Disarmament (CD) as a contribution towards completion of a CTBT for signature at the outset of UNGA 51. Australia has been active in international efforts to implement the Chemical Weapons Convention (CWC), strengthen the Biological Weapons Convention (BWC), and to promote the Missile Technology Control Regime (MTCR), improved IAEA nuclear safeguards, and a convention for banning the production of fissile material for nuclear weapons. Australia recently supported the case in the International Court of Justice for declaring nuclear

weapons illegal, and in 1995 the former Keating Labor government initiated the Canberra Commission for the Elimination of Nuclear Weapons, the only such international program sponsored by a government. Greater attention has also been accorded the regional aspects of some of these international mechanisms. For example, a Chemical Weapons Regional Initiative (CWRI) mounted by Australia, proved successful in engendering regional support for a global CW ban. Australia helped to establish the Treaty of Rarotonga, which declares the South Pacific region a nuclear-free zone, and supports the South East Asian Nuclear Weapons Free Zone (SEANWFZ). Australia also participates in the UN Arms Registrar and supports a regional arms register.

Dispute Settlement/Peacekeeping. Australia has supported UN and other multilateral mechanisms for dispute settlement and peace keeping operations on the Korean Peninsula, in Southeast Asia, Southwest Pacific, and Western Africa. Most notably, an intense period of Australian diplomatic activity resulted in the Australian plan becoming the basis of the Cambodian peace settlement signed at the Second Paris Conference in October 1991. But, following the UN failures in Western Africa, Australia adopted a more cautious case-by-case approach to peace keeping: for example, insisting that certain principles be considered, such as that the operation must have a good possibility of success, before Australian personnel are committed. Australia, nonetheless, continues to contribute to peacekeeping operations by providing facilities for training regional peacekeepers.

Preventive Diplomacy. In 1993, the former foreign minister, Gareth Evans, conceived and sponsored a Cooperating For Peace project designed to stimulate international debate about the role of the UN in securing world peace in the 1990s and beyond. The project had three principal themes—Preventive Strategies, Peace Building, and Cooperative Security. Specific proposals included strengthening the UN's capacity to conduct preventive diplomacy and peace-making, enhancing the UN's early warning capacity, establishment of regionally-focused preventive diplomacy teams, establishment of regional Peace and Security Resource Centers, enhancement of regional organizations concerned with the promotion of cooperative security, second-track diplomacy, and establishment of mechanisms for preventive military deployments. Since coming to office the Coalition government has supported general reforms for the UN; however, specific suggestions of the kind laid out by Evans, including preventive diplomacy, have not yet been forthcoming.

While Australia's official efforts to re-conceptualize regional security have focused on the development of multidimensional instruments, implementing

this approach in practice will continue to be demanding. The outcome relies heavily on the willingness of the region—China and Japan in particular—to develop habits of security cooperation. That will mean moving beyond security dialogue to practical measures for transparency and trust building. If the regional approach does not bring tangible success and uncertainties increase, Australia's traditional interest in alliances could once again come to dominance, to the detriment of cooperative approaches. The Coalition government is in any case supporting stronger alliance arrangements with the United States. Other issues closer to home constrain the development of Australia's approach to the region. Important themes of the government's policies, such as the "special relationship" with Indonesia in foreign policy and some aspects of multiculturalism in domestic policy, which affect Australia's regional engagement, remain contested. Most fundamentally, the policy legs of self-reliance and regional cooperation, and the financial investments in them, need to be carefully balanced, but determining the right balance is a very difficult task.

CANADA

THE SECURITY ENVIRONMENT

In general, the Canadian people want their country to have an active foreign policy and a distinctive voice in international affairs. The challenge for the Canadian government is to effectuate policies to meet these goals in light of key geopolitical realities and in the face of national political and fiscal constraints. Surrounded by three oceans and bordered by the United States, Canada faces no direct territorial threats. On the other hand, it has responsibility and jurisdiction over enormous expanses of land and ocean. With a relatively small population (under 30 million), and with an economy heavily dependent on exports, immigration and trade remain critical to sustained national development. Within this context, Canada is increasingly coming to terms with its being a Pacific state.

For the past half century, Canada has pursued an activist foreign policy, emphasizing multilateralist approaches and institutions to advance its middle power perspective and further internationalist goals of economic liberalization, collective defense, arms control, peacekeeping, foreign aid and humanitarian assistance. Multilateralism traditionally has been a preferred mode for advancing Canadian interests, because it is believed that if Canada can build effective coalitions with small and middle powers, it can avoid being isolated in bilateral situations with major powers. Canadian participation in the UN, NATO, the GATT (WTO), and more recently the OAS, NAFTA, APEC, and ASEAN Regional Forum all follow from this logic.

Canadians welcomed the end of the Cold War, not only because the Soviet threat and communist economics were repudiated, but also because, in an era of good relations among the larger powers, substantial progress was seen in the institutional developments in Europe, in movements towards disarmament and arms control (START I and II the MTCR, UN arms register and Chemical Weapons Ban) and in resolution of regional conflicts. However, the end of the Cold War also undercut the rationales for Canada's long-standing foreign and defense policies. Canadian political and military leaders found themselves facing serious challenges. Traditional commitments, and especially the deployments and capabilities they entailed, no longer made sense. The international security order could no longer be analyzed solely through a Euro/Atlantic lens. The waning of optimistic visions of effective multilateral conflict management in the "new world order" brought into question the effectiveness of the UN and its peacekeeping operations, thus challenging a central dimension of Canada's

foreign and defense policies. Furthermore, while the Canadian public was not clamoring for a peace dividend per se, domestic priorities took on larger significance, especially the hard economic realities of job creation and public sector indebtedness. The Canadian defense budget, already being cut before the end of the Cold War, has been and will continue to be under severe stress.

For Canadian security analysts, the evolving, post-Cold War security environment reveals substantial negative features: Intrastate conflicts, most fueled by ethnic or religious forces, have flared up, creating devastating humanitarian crises and threatening the stability of key regions. Multilateral responses to these conflicts have been inadequate. Regional powers, such as Russia and China, are sending confusing signals about their intentions; weapons are proliferating. "Unconventional" security threats are seen to be on the rise.

Thus, a substantial rethinking and reorientation of the Canadian security outlook is underway. First, the definition of "security" has been broadened to encompass a broad spectrum of concerns and policies designed to address the potentially disruptive aspects of economic, political, social and environmental change. Various phrases have been used to capture this expanded notion—cooperative security, human security, common security and shared human security. Unconventional threats to security are seen as being relevant to Canada's security planning, particularly in the longer term. Second, it is now essential to focus on the dynamics of regional politics and the insurance of regional stability in Europe, in Asia, and in the Americas. Third, restraining proliferation of both weapons of mass destruction and conventional weaponry must remain an international priority. Fourth, effective multilateral action is requisite to alleviate or control war and human suffering. This calls for reform of global institutions, particularly the United Nations, and the establishment of effective frameworks for regional security.

The Asia Pacific has emerged more prominently in the Canadian world view. Canada has important interests in the region that are largely defined in economic and human terms. Trade and financial flows to and from Asian economies have grown rapidly over the last decade. Remaining a participant in the economic dynamism of the region is viewed as critical for Canadian domestic economic growth. On the human dimension, the Asian component of Canadian society has expanded dramatically in the last two decades. Canada has been the single most frequently chosen destination for emigrants from Hong Kong and Taiwan, as it was for South Asian emigrants in years before. Events in Asian countries, therefore, can and do have an impact on Canadians and the Canadian

government. Maintaining stability in the region is seen as important to continued growth and prosperity—a key security interest.

At the domestic level, the Canadian public and federal government are largely preoccupied by uncertainties over the survival of the federal system and concerns over the domestic economy. Prime Minister Chrétien and his Liberal Party were elected in 1993 on a platform of increasing jobs and getting the federal budget under control. Asia, with its rapidly growing markets, has become a priority target for high profile government initiatives.

SECURITY POLICIES AND ISSUES

Canada took its first major steps in 1994–95 to reorient its foreign and defense policies to meet the challenges presented by the post-Cold War international economic and security environments. Following its election, the Chrétien government established two Joint Parliamentary Committees to view Canada's foreign and defense policies. These respective committee reports heavily influenced the government's subsequent writing of its official foreign policy statement, *Canada In The World*, and a new Defense White Paper.

Foreign Policy. *The Canada in the World* document of 1995 establishes three key foreign policy objectives: (1) Promotion of prosperity and employment; (2) Protection of Canadian security within a stable global framework; and (3) Projection of Canadian values and culture. Some important shifts in emphasis were signaled in this statement. First, concern for the relative economic welfare of Canadians dominates. Second, protection of Canadian sovereignty is an important priority—a tall order for Ottawa given the extent of land and ocean to be monitored as against the available governmental resources. "Sovereignty protection" has become a rallying point for the Canadian public, as evidenced by popular support for Ottawa's unilateral, and historically atypical, action in the Atlantic offshore fisheries dispute with Spain. Third is the promotion of Canadian values—a somewhat more contentious agenda. While advancing the principles and practices of democratization, good governance, and economic liberalization are generally accepted policy goals, the promotion of "human rights" raises considerable debate in public and private sectors. Early on, the Chrétien government signaled that it would not engage in linkage politics with human rights and trade and aid policies, especially with key countries such as China. However, with a new Foreign Minister in early 1996 has come an increased voice for human rights related issues, including child labor and women's rights, and governance, in select states such as Nigeria and Burma.

The relevance of Asia for Canada has hit home for the Chrétien government.

The government has made a priority of becoming more regionally engaged, both bilaterally and multilaterally, in economic matters and, to an increasing extent, in security matters. Canadian participation is to be advanced on both official (Track One) and unofficial (Track Two) dimensions (e.g. in APEC and PECC, and in the ASEAN PMC, The ARF and CSCAP).

Defense Policy. The government's White Paper refers to an "unstable, unpredictable, and fragmented" environment, making it "prudent to plan for a world characterized in the long term by instability." Although Canada has no immediate military security threats, it does face threats to its well-being from the prospects of regional conflicts—causing economic and social disruption, disrupting regional and global economies, and leading to engagement of Canadian forces in multilateral responses, as in the Gulf War, or in risky peacekeeping missions, as in Bosnia.

For the long term, the White Paper prescribes the following outlines for policy: adopting a broad response to shared human security, advancing sustainable development as a precondition to realizing individual and national security; renewed emphasis on control of weapons proliferation; and strengthened global and regional multilateral institutions with enhanced capacities for preventive diplomacy, conflict prevention, and peacebuilding. In the shorter-term operational context, however, the priorities for Canadian defense policy are (1) defending Canada and "sovereignty protection", (2) sustaining and building stronger regional security frameworks, including but not limited to NATO and NORAD, and (3) contributing to international security through peacekeeping and actions to avoid/diffuse regional conflict.

For Canadian defense analysts, these various factors and components come into play within the contemporary Asia Pacific context. Relations among the major powers may be at historically peaceful levels, but tensions still exist and the territorial status quo is not acceptable to regional powers. The role that Asian states, especially China, will seek to play in regional and global security matters is uncertain. There are no proven and inclusive multilateral security institutions, particularly for the North Pacific/Northeast Asia where they could be most important, in light of the crisis potential of the Korean Peninsula, China-Taiwan relations, etc. Proliferation of nuclear weapons and related technologies in and from the region is of great concern. Sophisticated conventional weaponry is being acquired by many states, but transparency and confidence-building measures are resisted for not being a part of the regional "strategic culture." Sustaining domestic stability in key states undergoing major economic and social transformations is problematic. So-called "unconventional" security threats have

serious implications, in light of drug trafficking, uncontrolled movements of persons within and across borders, and potentially destabilizing forces of ethnic and religious nationalism.

The White Paper affirms the need to "play a more active role in Asia Pacific security affairs"—more specifically, to expand cooperation and engagement with Asian states; to participate, as appropriate within the broader context of Canadian foreign policy, in military exercises and visits; and to participate in Track One and Track Two multilateral security dialogues and institutions. Recent Defense Department documents state that the four priorities of Canada's Asia Pacific Security policy are "support of international regimes to control weapons proliferation, commitment to the building of multilateral security regimes, dialogues, and CBMs;" support of the UN in settling international conflicts and delivering humanitarian aid; and expanding bilateral political and security interaction with key Asian states—the apparent priorities being Japan, Korea, the ASEAN countries, and possibly those of South Asia.

The operational effect of these commitments is apparent on both sides of the Pacific. In Canada, the Department of National Defense has increased its policy and analytical capabilities. Naval assets, including the recently acquired frigates, are being redistributed to the west coast to achieve a balanced deployment vis-à-vis the Atlantic. Canadian Pacific Command has assumed a more active role. In Asia and the Pacific, Canada continues to participate in the biennial RIMPAC exercises; and it has deployed task forces on ship visits to NE and SE Asia annually since 1994. Participation in security-related talks, workshops, and dialogues has expanded on both bilateral and multilateral levels. On the peacekeeping front, Canada, having provided an initial contingent to UNTAC, continues its commitment to Cambodia through CMAC. It has worked closely with Japan to facilitate its deployment to the Golan Heights. It has co-chaired ARF inter-sessional meetings on peacekeeping.

Defense Spending. With the Federal government under duress to reduce its indebtedness, the defense budget, as the single largest category of discretionary funding of federal spending, has come under sustained attack. Since 1989, a series of cuts have been imposed on the Department, usually with little advance consultation. The 1989–90 defense budget was Can \$11.6 billion, the 1993–94 was Can \$12.0 billion, the 1998–99 budget is projected to be Can \$9.25 billion (roughly U.S. \$6.8 billion)—a figure that represents a 30 percent drop in real dollar spending since 1993. In 1995, Canadian defense expenditures represented 1.58 percent of GDP.

Personnel. Cuts of these magnitudes will necessitate a "fundamental transformation" of the Canadian military establishment. Overall personnel levels are going to be reduced to 60,000 military and 20,000 civilian positions, representing reductions of 20 percent and 38 percent, respectively, since 1994. In 1985-86 military personnel numbers were up to 83,000. Resources assigned to the Department's Ottawa headquarters are to be reduced by fully 50 percent, much of it on the civilian side. An entire level of operational command is being eliminated. However, land force personnel are to increase by 3,000 troops, in response to the assessed need for more deployable manpower to be available for joint and combined operations abroad. Infrastructure expenditures, until now protected by domestic political constituencies, are being reduced through base closures and the shut down of two of Canada's three military colleges.

The mandate for the Canadian Armed Forces is very broad. It involves defense of Canadian territory, including vast expanses of coast, ocean, and the Arctic; alliance partnership; participation in regional environments, including Asia and the Americas; aid to the Canadian civil powers, search and rescue, humanitarian assistance, and extensive international peacekeeping responsibilities. Those responsible for the Canadian Forces, both in government and in command, continue to adhere to the long-standing principle that Canadian troops are to be trained and equipped as "multi-purpose, combat capable" forces, able to be deployed and to participate anywhere in the world in multilateral, combined operations. However, this is a very expensive policy, in terms of both human and physical resource requirements. Commitment-capability disjunctures are an inherent problem for the Canadian military. The 1994 Defense White Paper, for instance, commits Canada to providing to NATO or the UN contingency forces with capabilities that could range from a naval task group to a brigade with full combat support and a squadron of tactical transport aircraft. The post-Cold War surge in the demand for experienced peacekeepers has stretched the Canadian forces to the limit. In 1994-95, 3,600 Canadians were deployed in 15 peacekeeping missions around the world; in 1995-96, with the withdrawal of the UN from the former Yugoslavia, this number dropped to 2,000, most now involved in the non-UN-controlled operations of IFOR and in Haiti. In the last five years, the government estimates that Can \$800 million has been spent on peacekeeping missions, these costs being borne entirely from the Defense Department's annual budgets, without compensation even for those funds that Ottawa recovers from the UN. In order to strengthen its peacekeeping training programs, and with an eye to training foreign forces as well, the government has recently established a peacekeeping training center.

Equipment and Procurement. As a result of overall reductions in Canadian defense appropriations, major equipment purchases, such as the planned acquisition of a submarine and the \$1.2 billion EH-101 helicopter program, have been canceled. The 1994 Defense White Paper sets out a series of additional cost-cutting measures for equipment that will reduce the number of operational fighter aircraft and terminate \$15 billion in other planned programs over the next fifteen years. Naval procurement programs have fared better: 12 Halifax class frigates have been completed and 12 coastal patrol vessels are now under construction. This sets the stage for important procurement decisions concerning the purchase/lease of conventional submarines (unlikely), the purchase of armed personnel carriers (going forward) and the purchase of sea-going helicopters (likely to be off-the-shelf purchases, but delayed until after the 1997 election). It appears that the Canadian Armed Forces of the future will likely be without submarines and have more limited air capabilities (especially in fighter aircraft), but will otherwise be relatively well equipped for their size in terms of naval assets, and be better prepared for lightly-armored land operations. In regional terms, the effects of these force restructurings and procurement schedules are likely to have less impact vis-à-vis Canadian activities towards Asia and in the Pacific.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

Global Security. The global dimensions of Canadian security policy continue to be advanced through multilateralism. Canada regards itself as a principal player in the UN, especially in its peacekeeping functions, having been involved in the initiation of this enterprise and in most every UN operation since. However, Canada sees reform of the UN as a necessity, regarding both basic Charter issues such as Security Council membership and the operational functioning of the UN in response to crises situations. In this regard, Ottawa has expended considerable energies advancing proposals for reform of the UN Headquarter's peacekeeping operations center, for creation of UN rapid reaction capabilities, and for enhancement of civilian peacekeeping and preventive diplomacy activities.

Canada continues to push the agenda for multilateral institutions to control the spread of nuclear and conventional weapons. These efforts include extension of the NPT, establishment of a CTBT, successful implementation of the START and CFE agreements, safe dismantling of the arsenals of the former Soviet Union, expansion of the scope and compliance of the UN arms control register, advancement of the Chemical Weapons Convention, and promotion of the MTCR, and most recently advancement towards a ban on land mines. Canada has built up extensive technical and diplomatic expertise in these areas (especially in verification and

monitoring regimes) and is looking for ways to apply this expertise in regional contexts, especially concerning East Asia and South Asia.

Regional Security. Canada's 1994 Defense White Paper makes clear that "the key guarantees to [its] military security" will continue to be found in the regional collective defense arrangements of NATO and NORAD. Canada regards itself as a committed NATO partner, although it no longer maintains troops stationed in Europe. It is deeply engaged in NATO's Yugoslavian efforts and looks to the future enlargement of NATO to encompass select Eastern European states. The NORAD agreement between the U.S. and Canada has just been renewed for another five-year term, without, however, having fully resolved the tricky issue of Canadian direct or indirect participation in ballistic missile defense systems.

The increased salience of Canada's post-Cold War regional outlook has been demonstrated in Ottawa's advancement of a broad-based agenda of Track One and Track Two activities on bilateral, subregional, and regional levels. With regard to Asia Pacific, Canada has utilized its long-standing relationships in Southeast Asia to support and advance the ASEAN process of building a subregional security community. For example, working with Indonesia and funded by the Canadian foreign aid agency, Canada has underwritten the South China Sea workshops. It has also sponsored the important ASEAN ISIS Annual Security Roundtable in Kuala Lumpur. Canada has taken a proactive role in the ASEAN Regional Forum, in both its annual meetings and intersessionals. CSCAP, the fledgling Track Two vehicle of the ARF, has also been the focus of considerable effort by a select group of Canadian officials and academic experts.

It is in Northeast Asia, however, that Canada sees the greater potential for traditional tension spots, such as the Korean Peninsula and Taiwan, to escalate into destabilizing crises. Establishment of a multilateral subregional security framework, (to supplement rather than replace current bilateral alignments), has been a goal of Ottawa since the beginning of the decade. Thus, the Canadian initiative, the North Pacific Cooperative Security Dialogue, was the first effort on Track Two levels to advance multilateral, inclusive subregional efforts towards reduction of tensions, greater transparency in national security and defense policies, and understandings of the implications of unconventional security concerns. While these efforts faltered after 1993, Canadian participants, both Track One and Track Two, remain actively involved in subsequent efforts to generate an effective subregional security dialogue process in Northeast Asia.

In sum, Canada's security outlook has undergone dramatic changes during the past five years. Security is now viewed in a broader and less overtly military fashion, and the advancement of cooperative security is seen as having

operational implications. The Euro/Atlanticist focus of the Departments of National Defense and Foreign Affairs has been altered to realize the importance of other regions, especially Asia, to Canada's security interests. The result has been a coordinated effort, on Track One and Track Two avenues, to portray Canada as an engaged Asia Pacific partner in advancing regional and subregional security multilateralism.

CHINA

THE SECURITY ENVIRONMENT

With the disintegration of the Cold War system, the Asia Pacific region has been moving towards a multipolar international political structure with the United States, China, Russia, and Japan as the major powers. Unlike the multipolar structure in Europe, however, there remain two social systems in Asia, each containing pluralistic elements. The present balance is relatively stable. The reduced deployments of Russia and the United States at the end of the Cold War have had a positive impact as have the moves toward the settlement of long-standing areas of tension such as Cambodia and the Korean peninsula.

Within this evolving structure, China has been able to improve and normalize its relations with Russia, India, and Vietnam. There is no longer any immediate military threat to China. Moreover, it is unlikely that there will be an all-out war against China for a long time to come. Chinese security specialists, however, are concerned about the many local, pluralistic, and potential threats that remain in China's security environment. These include:

- Potential "hotspots" along China's periphery. Despite the end of the Cold War, Korea, Cambodia, and Kashmir remain areas of considerable tension. If conflict among local parties breaks out again in such areas, other countries could be tempted to intervene and China's interests could be affected.
- Increased insecurity in some countries due to the end of the stable Cold War structures. This has been reflected in increased defense expenditures, especially in the ASEAN region.
- Bilateral conflicts of interests including territorial disputes and other conflicts involving vital national interests that cannot be resolved quickly. The claim of some Southeast Asian countries to China's Nansha islands represent such a problem. In these and other boundary disputes and territorial conflicts, include the Diaoyu dispute, China has sought peaceful approaches, setting aside the dispute and joint development of the areas. Although military force is only the last resort in resolving such problems, China will never relinquish its right to use force.
- Secessionist activities disrupting China's peaceful reunification. The future of Taiwan is China's most important internal problem. China's

position on Taiwan is very clear; it allows the Taiwanese people to choose their own system but Taiwan must respect the unity of China and work toward reunification. China is seeking reunification through promoting economic and cultural contacts across the Straits of Taiwan. Secessionist activities in Taiwan and foreign interference in China's internal affairs will not be tolerated. Weapons sales to Taiwan and permission for high political leaders in Taiwan to visit foreign countries encourages secessionism and is firmly opposed by China.

- The clandestine proliferation of nuclear weapons and nuclear technology. As a member of the Nuclear Non-Proliferation Treaty, China seeks to prevent the spread of Weapons of Mass Destruction. China also supports the comprehensive test ban treaty, although with some reservations.
- Economic and cultural-based frictions are affecting some important regional relationships, inhibiting cooperation and endangering bilateral relations.

Over the last century and a half China has experienced conflict with the other larger powers present in the region—the European countries, Russia, Japan, and the United States. These conflicts were defensive struggles for China, that is, they occurred in or near Chinese territory and far away from the recognized territories of the other powers. Particularly before 1950, aggressive actions by European countries, Russia and Japan were encouraged by China's military weakness. Because of this historical legacy, China recognizes the need to maintain adequate military capabilities and readiness to safeguard its security and unity.

China currently enjoys good relations with Japan and Russia. Japan is the only major power to provide China with economic assistance, while Russia does not seek to interfere in China's internal affairs. There has been a massive demobilization of forces along both side of the Sino-Russian border.

Relations with the United States are complex and difficult with elements of cooperation mixed with those of conflict. While Chinese do not believe the United States is a direct military threat to China, U.S. human rights and economic policies are often seen as efforts to undermine China's political system and slow China's economic growth. U.S. policies and actions that encourage separatism in Taiwan and delay reunification are of deep concern to China. Many Chinese analysts worry about long-term relations with the United States, but there should be no fundamental conflict of interest between the two countries.

DEFENSE POLICIES AND ISSUES

Defense Objectives. China's defense policy is aimed at providing armed forces sufficient to resist aggression. China is promoting comprehensive strength for the following purposes: (1) defend its sovereignty over its land and sea territory and its maritime rights and interests, (2) safeguard the security and reunification of the motherland, (3) possess appropriate deterrent and warfighting capacities, (4) serve the interests of national economic development, and (5) contribute to regional and global peace and stability.

"Active defense" is China's guiding military principle. According to this defensive principle, China will not attack unless it is attacked. If attacked, however, China will certainly respond. China seeks to deter or delay war by maintaining sufficient combat readiness in peacetime. In wartime, according to this principle, China will aim to win the war by using a strategic defensive posture in the earlier stages and conducting a counter-offensive in the later stages of the war.

Defense Spending. China's military modernization is still far from meeting its defense needs. Military expenditures have been very low, especially when considered against the size of the country and military. According to the State Statistical Bureau, military spending dropped steadily in the 1980s, reaching a low point in 1989, a trend quite different from other countries. In the 1990s defense spending began to increase moderately. Although absolute expenditures have been rising, when measured by 1980 purchasing power terms, China's actual military expenditures from 1988–1994 only account for 86 percent of parity and thus have actually been decreasing in terms of purchasing power. In 1995, military spending accounted for 10.2 percent of state spending and 1.1 percent of GNP. These figures were 16 percent and 4.5 percent respectively in 1985. The 1996 military budget is 70.227 billion RMB (US\$8.48 billion), again 10.2 percent of state expenditure.

China's low military spending reflects a clear-cut policy choice—that military modernization is subordinated to and supportive of national economic reconstruction. As China's economy grows, military spending will also rise. This rise, however, will be very restrained by the government's budgetary limitations as well as the army's defensive principle. Approximately two-thirds of new spending will go to improve salaries, living and working conditions, construction, and training. Pensioning off retiring soldiers as China's military manpower shrinks is another major expenditure. Only about one-third will be used for equipment (including development, testing, maintenance, transportation, and storage). It is frequently pointed out that the People's Liberation Army (PLA) has off-budget

income, but these revenues are almost entirely spent to enhance living conditions and wages.

Future Goals. China intends to build a smaller, but stronger, more technologically capable military establishment. Manpower has already been significantly cut from 6 million in 1987 to 3 million by 1995. Other important priorities are:

- To strengthen the organizational structure of the Army.
- To strengthen the Navy and Air Force, improving command and control, and providing these services with greater capability for independent operations, maneuver, and rapid response. The bulk of the weaponry of China's Navy and Air Force are generally acknowledged by both Chinese and foreign analysts to require modernization.
- To institutionalize further the training of officers and men, increasing military professionalism.
- To gradually improve technological sophistication through upgrading current equipment and importing some new equipment and defense-related technologies.

Current modernization efforts include development of a new generation of J-10 fighter aircraft, the Jiangwei class guided missile frigates, and the Song diesel attack submarine. Missile forces are also being upgraded.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

For the benefit of its own political, economic, and social development, China needs a long-term peaceful, stable and prosperous regional environment. China contributes to the achievement of this objective by pursuing economic reform, improving relations with other Asia Pacific nations, establishing good military-to-military relations, and working with other countries toward the establishment of a security mechanism for the region.

Economic Reform. China will contribute to regional security and stability by maintaining its own national unity and political stability through economic reform, increasing openness to the outside world, and improving living conditions in China. China is in the process of establishing a socialist market economy system. As part of this process, China will gradually carry out political reform and improve the democratic and legal systems.

China's economic goal is to raise living standards to those of middle-level developed countries. This will be a very difficult task because of China's huge population. At the present time China's annual growth rate is in excess of 10

percent. But its per capita income remains rather low, about Y2500 or \$450. On other measures of economic development, the gap between China and the developed countries looks even larger. Therefore, it will take several decades for China to catch up economically.

Because of China's central position in Asia and its massive population, the economic and political future of China itself has very important implications for the entire region. Clearly a stable, prosperous, and united China will be of tremendous benefit to regional peace and order.

Diplomacy. China shares land or sea borders with 20 countries. Its active and independent foreign policy is directed towards maintaining good relations with the countries on its periphery and strengthening regional and global peace. Among its diplomatic accomplishments in recent years, China has improved and normalized relations with Russia, India, and Vietnam. Diplomatic relations were established with the Republic of Korea, placing China's Korea diplomacy equidistant between North and South. China has established good relations with the newly independent neighbors in the west formed out of the former Soviet republics. China has strictly adhered to the principle of respecting the right of these and other neighbors to choose their own political systems.

China initiated and actively promotes the Five Principles of Peaceful Coexistence as the rules for governing state-to-state relations. China will not enter into military alliances or participate in military blocs. It opposes hegemonism and power politics and has repeatedly declared that it will not seek to be a superpower. China believes that these principles are an excellent base for improving regional and global relations.

Strengthened Military Relations. Differences in historical experience and current strategic situations make it unrealistic to establish military cooperation at the regional level at the present time. However, bilateral military cooperation can improve bilateral ties and improve military security for the whole region. China has thus taken a very positive attitude toward increased bilateral contact and exchanges. It believes that such contacts can help identify common interests and concerns and provide the basis for increased transparency in border defense efforts and more general military programs on both sides.

China is establishing such confidence measures with Russia and India. Exchanges of high level visits among military leaders of respective countries and defense ministries is also favored. From 1993–1996, the military leaders of China and Russia exchanged visits in succession and signed a military cooperation agreement between the two Defense Ministries and an agreement to prevent dangerous military activities between the two governments, furthering the

relations of the two sides. China and India greatly improved their intensive relations along the border through talks and by paying mutual visits. From 1994, the Chinese and U.S. military delegations have paid mutual visits.

All these talks and visits enhanced military transparency, gradually built confidence in each other, and contributed to the creation of peaceful environment in the region. China also sought to contribute to confidence building through the registration of its arms traffic in the United Nations and the 1995 publication of its first White Paper on Arms Control and Disarmament.

Regional Dialogues. China's economy and security goals cannot be achieved without the cooperation of other countries in the region. For this reason, China has participated actively in such regional foray as the Asia Pacific Economic Cooperation (APEC) dialogue and the ASEAN Regional Forum (ARF). The efforts to establish new regional mechanisms will gain momentum with the passage of time. However, it is not yet possible to establish a security mechanism for the region similar to those in other regions, and the regional economic institutions of Asia Pacific will also take a different character from the European Union or the North America Free Trade Area.

In a scramble for predominant political influence in the region, different countries are offering their own proposals for establishment of a new security mechanism. For example, before 1993, the United States argued that Asia Pacific security should be based on its bilateral alliance relations with some countries in the region, and after 1993 it advocated a regional security dialogue to supplement those bilateral arrangements. Both positions sought to maintain its predominant position while its actual presence was being shrunk. Japan is aiming through the ASEAN-Post Ministerial Conference and the ASEAN Regional Forum to enhance its regional role and become a key actor in regional security. Although there are a variety of ASEAN positions, all seek to maintain a U.S. presence in the region as a balancer while protecting themselves against large power control. The ASEAN-PMC and the ASEAN Regional Forum are their favored mechanisms to enhance their own roles. Russia also made proposals so as to maintain and expand its influence in the region.

Eventually a multi-layered, pluralistic and loose security mechanism may develop involving a combination of bilateral coordination and multilateral dialogue. The success of such a mechanism will depend on its ability to coordinate harmoniously the interests of the four major countries and ASEAN and to avoid any exclusive and antagonistic security structures.

China believes that any successful mechanism must be based on four principles: (1) Equality for all countries, (2) Mutual respect of each country's sover-

eignty and territorial integrity and non-interference in the internal affairs of other countries, (3) Peaceful resolution of disputes, and (4) Mutual benefit and cooperation.

To deepen their mutual understanding, the Asia Pacific countries can develop multiple dialogues and consultations using different forms and channels. These can be official, semi-official, or unofficial; bilateral or multilateral; regional or subregional. All forms can be used alternatively or simultaneously. The objective—a peaceful, stable, and prosperous environment—is the important point, and if all the actors respect the basic principles of equality, non-interference, and peaceful resolution of disputes based on mutual benefit, many mechanisms can contribute toward achieving this end.

THE EUROPEAN UNION

THE SECURITY ENVIRONMENT

The European Union. Europe is not a state. It is a regional grouping of states organized by and around the European Union (EU), formerly the European Community (EC). The EU has recently been expanded to include fifteen members—Sweden, Finland and Austria are the newcomers—and has developed into a major center of gravity for the whole continent up to, and even beyond, the boundaries of the former Soviet Union.

Within the international relations system, the EU represents both more and less than the sum of its fifteen member states. External relations are still basically determined in respective national capitals, rather than in Brussels, and national policies beyond the realm of the EU still often compete with each other. Policy differences are based in part on different assessments of national interests and in part on distinctive foreign policy styles. The United Kingdom (UK) and France tend to define their foreign policy roles outside Europe in terms of traditional Great Powers. Germany, the third major player, has developed a rather different approach—that of a *civilian power* which strongly emphasizes multilateralism, international institutions and the rule of law. The following analysis primarily focuses on these three major countries. On the other hand, the EU already has evolved a common external economic policy, and may be in the process of developing a substantive common foreign and security policy. In this sense, the EU already has become more than the sum of its member states and in the future may well develop more and more elements of a common (or at least closely coordinated) foreign and security policy. The term *Europe* is used throughout this paper to describe the EU and its three most important member countries.

Security Interests and Involvements in the Asia Pacific. Apart from a few vestiges of Europe's former colonial empires and influence, Europe does not have direct security stakes and commitments in the region. Rather, European interests are predominantly economic. Those economic interests are, however, quite substantial and are growing rapidly. European trade with East and Southeast Asia now easily surpasses its trade with the United States and represents more than three times the value of total trade with Eastern Europe. However, in terms of foreign direct investment (FDI), Europe has fallen back to the point where it accounts for only about 10 percent of total FDI in East and Southeast Asia. The problems inherent in that weak position have now been

recognized in Europe, and there are signs of a major push for a stronger European FDI presence in the Asia Pacific.

While economic interests dominate European policies towards the Asia Pacific region, those interests have implications in the security realm as well. First, a growing European awareness of the economic importance of the Asia Pacific region has given rise to a number of efforts by the EU, by governments and by the private sector to enhance Europe's presence and profile in the region. Counted among those efforts have been the EU's *New Asia Strategy*, formally passed by the European Council in December 1994, the German government's earlier *Asia Concept* of 1993 and the determination by German industry, in particular, to push more strongly into the region, symbolized by the formation of an Asia Pacific committee of German industry. Those efforts, in turn, have led to the recognition that EU involvement in the region is to be taken seriously, Europe can not confine its activities to trade and investment alone—it also needs to show its flag(s) politically. Hence the expression of interest in a more substantive security dialogue with the region, which comes across clearly in the documents cited above, as well as in the growing number of high-level political visits to the region by senior European statesmen. The most important expression of this new European commitment to a closer relationship with East Asia has been the Asia-Europe Meeting (ASEM), which brought together 15 heads of state and government (or, in the case of four countries, their representatives), as well as their foreign and economics ministers, and the President of the European Commission from the European Union, with their opposite numbers from the seven ASEAN members as well as from China, Japan and the Republic of Korea in early March 1996 in Bangkok. The ASEM process will continue both at the summit level (with the next meeting planned for 1998 in London) and at the level of ministers and senior officials.

Second, with the demise of the Soviet threat the meaning of security has begun to change and broaden. The concept of security in Europe, as elsewhere, now increasingly encompasses non-military threats—e.g. international terrorism, ecological disasters—and economic issues. It has also become increasingly global in nature—e.g. proliferation of weapons of mass destruction, drugs, global environmental changes. The Asia Pacific region in many ways constitutes an integral part of those new dimensions of international security and thus increasingly appears on the European security agenda.

Third, the EU is built on a fundamental, qualitative transformation of interstate relations, a transformation which has substituted the rule of law for the old paradigm of balance of power. Over time, however, this internal transformation

will be stable only if Europe's international environment itself changes in this direction. It has already done so in the context of the transatlantic security community binding together America and Europe, but beyond that many questions arise. Europe thus has a high stake in efforts to transform international relations themselves into a system with more rules and institutions and less balance of power and war. Such efforts will be bound to fail, however, if they do not find support in the Asia Pacific region. Thus Europe has an interest both in regional stability and transformation in the Asia Pacific region itself, as well as in cooperation between the two regions with regard to issues of global governance.

Fourth and last, Europe has important partners in the region and may share some of the region's security concerns out of a sense of solidarity with those partners. One obviously has to recognize that the effective reach of such solidarity is limited, but it would also be wrong to completely dismiss this dimension. The UK's participation in the Korean Energy Development Organization (KEDO) for example, is probably best understood in terms of the close political relationship between Britain and Japan.

In sum, while Europe has no direct and vital security stakes in the Asia Pacific, there are a number of direct but important European security concerns. Those may be summarized as follows:

- Concerns about threats to international security—e.g. a nuclear North Korea, China as a Great Power.
- Concerns about the international order—e.g. the viability of the WTO and the UN; and
- Concerns about threats to social security in Europe stemming from the region—e.g. drugs, global environmental changes.

Given the nature of Europe's interests and stakes, its geographical distance and its relative lack of power resources in the region itself, the EU's responses to security threats in the region inevitably will have to be supportive in nature. In other words, Europe will, in general, follow its partners in the Asia Pacific region rather than lead them or maintain an independent security role. Its own postwar experiences, as well as the logic of European integration and the nature of its involvement in the Asia Pacific, will also argue for supporting multilateral endeavors wherever possible and promising. Indeed, where Europe acts as one, or at least in close coordination, it will almost be bound to favor multilateral approaches—as witnessed by the long-standing dialogue between the EU and

ASEAN and European involvement in the ASEAN PMC, the ARF, CSCAP, and most recently in ASEM. Europe's own experiences with multilateral security co-operation and arms control/disarmament, both positive and negative, may be additional (if intangible) assets in such contexts.

It is another matter whether European countries will be able to act in close concertation. Individual countries may well feel obliged to pursue their own, national agendas unilaterally, even in competition with other European countries. France's determination to go ahead with nuclear testing in the South Pacific against strong misgivings and outright opposition from other EU members, let alone the outcry in the region itself, clearly underlines this. It is difficult, however, to see how such unilateral national actions, or even European unilateral moves, could do anything but hamper effective security arrangements for the region. At best, European unilateralism is thus likely to be ineffective, at worst it may damage security in the region.

DEFENSE POLICIES AND ISSUES

Defense Policies. In recent years, Germany, France and the UK have all been upgrading the importance of their economic and political relations with the Asia Pacific region, and have intensified bilateral relations, including security consultations. In Germany, the government has formally established the *Asia Concept* as the framework for closer relations with the region—the only such regional policy framework ever passed. The commitments expressed in this document have been given substance by a number of high-level visits in the region by the Chancellor, the Foreign Minister and the Minister of Defense (as well as others). Overall, security issues have played a minor but significant role in those bilateral discussions. France in recent years has fundamentally restructured its policies towards China and Japan. Under intense pressure from mainland China, Paris had to accept an end to arms sales to Taiwan and has since tried to regain its share in the lucrative mainland markets by towing Beijing's line. Meanwhile, the UK has been awkwardly trying to straddle the line between its commitment under the agreement to return Hong Kong to Chinese sovereignty by 1997 and its obligations towards the people of Hong Kong and their future. Its relations with Japan, however, are the best of any European country and the UK is working hard on upgrading relations with South Korea. Lastly, the European Union has passed both the *New Asia Strategy*, which among other things argues for a stronger and more substantive security dialogue with Asia, as well as documents laying out new strategies towards Japan and China, which aim at substantially upgrading and developing those two relationships.

Defense Presence. Europe's direct military presence in the Asia Pacific region has shrunk to a few remnants. In Hong Kong, the UK will maintain a small force of 1,900 (a 1,400-strong Gurkha infantry brigade, three Peacock patrol craft and a Wessex helicopter squadron) until 1997. Formally, Britain retains membership in the Five Power Defense Agreement but has phased out any direct military presence in that region. France's military presence in 1995 numbered about 8,000 men, divided between New Caledonia, Polynesia and the Pacific Naval Squadron. The latter consists of three frigates, some patrol vessels, reconnaissance aircraft and support ships. Nuclear testing is perhaps the most significant—and to many the most objectionable—security activity undertaken by France in the region. After completion of its most recent and final round of nuclear tests in the South Pacific, 174 out of a total of 191 French nuclear tests had taken place there. The nuclear tests site, however, has already been disbanded, and in all likelihood will no longer be used. Even so, France retains considerable strategic interests in the South Pacific, as its possessions there underwrite one of the largest single maritime claims to exclusive economic exploitation of ocean surface.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

In recent years, Europe has increasingly become aware of the importance of Asia Pacific for its own future. This awareness, and the consequent determination to upgrade Europe's presence and profile in the region, has been distributed somewhat unevenly, with the three major countries, and generally Northern and Western Europe, in the vanguard. Southern Europe has been lagging behind. Still, a number of initiatives have been taken not only at the level of the three most important countries, but also by the European Union as a whole.

Peacekeeping Activities. Europe (France in particular) has played a significant role in efforts to settle the civil war in Cambodia. Important numbers of French, British and German soldiers have participated in the UNTAC operation in Cambodia.

Participation in Multilateral Fora. Europe has also been involved in the aforementioned multilateral regional security activities both at the official and at the NGO level—ASEAN PMC, ARF. Europe is represented in those fora by a troika of the foreign ministers of the past, the present and the incoming presidency country of the EU, and by a member of the European Commission. Several European Union member countries, as well as the EU itself, also financially participate in the Korean Energy Development Organisation (KEDO),

which serves to underpin North Korea's abolition of its military nuclear options. In CSCAP, a European group has been formed under the name of ESCSAP to ensure participation in all CSCAP activities.

Arms Transfers. Europe is involved in the security of Asia Pacific as a major supplier of arms. According to data supplied by the United States Arms Control and Disarmament Agency, from 1991 to 1993 Western Europe sold a total of \$1.750 billion worth of arms, or about 16.5 percent of total East Asian arms imports (\$10.635 billion) during that period of time. A breakdown by supplier countries shows Germany as the most important arms exporter to East Asia (\$615 million) followed by the UK (\$520 million) and France (\$335 million). This contrasts sharply with the general attitudes and policies of those three countries towards arms sales. While the UK and France basically have pursued commercial export-oriented policies towards arms, German policy has traditionally been rather restrictive—e.g. no arms to be supplied into areas of tension.

There are several special factors which explain Germany's importance as an arms exporter to the region. First, as a result of unification Germany acquired large arms deposits from the former GDR, but also found itself under stringent obligations to reduce total levels of military equipment as a result of conventional arms control agreements in Europe. Germany has thus tried to reconcile huge stockpiles and severe cutback obligations by exporting surplus arms liberally. One large arms sale resulting from this (agreed to in 1994 and thus not included in the data given above) was the sale of much of the former East German navy to Indonesia. Second, Southeast Asia is not considered an area of tensions, apart from Cambodia, and therefore has been able to contract for German arms. Third, data for German arms sales also reflect exports of military equipment produced jointly with France and other European countries. Recipient countries may procure such arms from France, but they will contain a large German component.

There have as yet been no common European approach to arms transfers and, given strong national traditions and military-industrial competition between French and British interests, such an approach will be difficult to achieve. For the foreseeable future, arms exports are therefore likely to remain the prerogative of national policy. It should also be noted, however, that defense budget pressures have put military industrial establishments in Western Europe under strong pressure to rationalize and that transnational military-industrial co-operation may therefore increase.

Although global in nature, the UN register of conventional arms transfers, set up at the joint initiative of Japan and the EU, is also of relevance to the Asia Pacific region.

Overseas Development Assistance (ODA). Lastly, Europe indirectly tries to contribute to the stability of the region through its provision of substantial development assistance. From 1976 to 1991, European ODA to East and South-east Asia totaled about \$11.7 billion. That was about half of Japan's ODA (\$25.6) but almost three times the level of American ODA (\$4 billion) for the same period. In South Asia, European ODA during those years totaled \$18 billion, considerably larger than the combined total of ODA provided to the region by Japan and the United States.

INDONESIA

THE SECURITY ENVIRONMENT

Indonesia is a multi-ethnic, pluralistic society still in the process of nation building. As such, internal threats to unity and the social order have usually figured more prominently in its strategic and security calculations than for many of the other member countries of the ASEAN Regional Forum (ARF). Internal disorders can be visualized as occupying a spectrum of dangers, beginning with the most subtle and progressing to brutal direct threats to national survival. They may be entirely of domestic origin or linked to external sources of threat, either through the action of worldwide processes such as globalization or through the determined actions of hostile states.

In recent years, there have been both positive and negative developments in the internal security picture. Separatist movements, such as East Timor's Fretilin, the Free Aceh Movement, and the Free Papua Movement are more isolated internationally and have lost momentum in the field. None today seriously endangers Indonesia's physical integrity. On the negative side, however, ideological cleavages within Indonesian society remain significant and, with economic development, there is greater social pluralism. Some Indonesians regard this as inevitable and healthy in the longer term, but others worry deeply that pluralism may lead to conflict and a rupture in national unity. President Suharto has made some efforts to democratize the country, but he and his government have become increasingly concerned about direction of the public debate these efforts have spawned.

Despite effective rule since 1966, political stability cannot be taken for granted and remains the greatest challenge for the Indonesian government. Its legitimacy rests heavily on a satisfactory pace of economic development. But as many Indonesians note, the very process of market-oriented economic development ensures that its gains are not uniformly spread either geographically across the archipelago or across the various social strata, placing stress on social stability. In recent years, Indonesia has experienced increasing violence in the cities, including a labor riot in Medan, fishermen running amok in Langkat, arson in Dili (East Timor), and ethno-religious conflict in Situbondo (East Java), Tasikmalaya (West Java) and Singkawang (West Kalimantan). This may indicate a lack of faith in peaceful means of solving social issues.

The Armed Forces (Angkatan Bersenjata Republik Indonesia or ABRI) traditionally regarded left and right extremists (communists and Islamic fundamentalists) as the principal internal enemies with outside sympathy and support. Today these forces continue to be considered as threats although with decreasing frequency. But new external threats have joined them, such as foreign (and domestic) media and the forces of economic globalization. These forces are often seen as magnifying and spotlighting the social stresses associated with development and weakening the people's traditional values and respect for authority, thus endangering national unity. The exact nature of such linkages are not always clearly demonstrable, but the notion of potential dangers from such sources does have a powerful impact on governmental thinking and actions.

Prominent in Indonesia's security response is the concept of national resilience, that is, a nation's overall capability to ensure internal stability and thus security of external interference in all aspects of national life. The philosophy is that deterrence does not necessarily depend upon the size of military forces, but on the knowledge that internal unity is strong and that the aggressor would face resistance from all of the Indonesian people.

Externally, Indonesia's perceptions of threat emphasize the danger of possible interference rather than direct attack or invasion. This could be invited by domestic instability and conflict or instability and conflict in Indonesia's region. As a result, Indonesia's vital national interests are immediately linked to those of its Southeast Asian neighbors. In Indonesian thinking, the nations of the region would be able to avoid external interference if they promote their individual national resilience and cooperate to promote collective regional resilience. Regional resilience is not simply the sum of national resilience efforts, but requires mutual trust and respect as well as adherence to commonly accepted rules or codes of conduct and behavior.

The primary specific external security concern for Indonesia is China. Like many others in Southeast Asia, Indonesians are uncertain about political developments in China, and China's longer-term role and intentions in Southeast Asia. That country's claims to the Spratlys and its improving relations with Myanmar are viewed as a reflection of deeper ambitions to exercise influence over the region. Nevertheless, China is not regarded as a likely source of a military threat for the foreseeable future. More likely, although certainly not inevitable, are limited conflicts within the Spratlys or border disputes with other Southeast Asian countries. The crucial challenge is whether China will behave according to the accepted regional and international rules of the game.

Increased attention has been given to other forms of domestic and external threats—the theft or spoilage of maritime resources by illegal poachers and commercial shipping, piracy, smuggling, and illegal immigration. These are hardly new, but Indonesia has had only limited capabilities to cope with them. As Indonesia develops, expectations are growing that it must effectively protect its resources and ensure compliance with its laws. Such issues can be anticipated to become of greater concern in the future.

DEFENSE POLICIES AND ISSUES

Basic Strategy. In line with the emphasis on domestic stability at home and within its region, Indonesia has developed a concept of self-reliance (“national and regional resilience”) based on a strategy of “stability in depth” or “layered stability.” In practice, this is a strategy of concentric lines of defense in which the bastion of national resilience represents the inner layer and the regional and global security regimes represent outer layers. In the absence of multilateral regional defense arrangements, regional stability is to be sought through the development of a web of bilateral cooperative arrangements with neighboring states. This strategy is sometimes known as the “spider web” pattern of security.

The basic premise in implementing Indonesia’s security strategy is not a balance of power but a balance of interest. This premise encourages the cultivation of dialogue among nations in maintaining regional peace. The experience of ASEAN, which has moved toward becoming a regional security community, may be applicable to the broader Asia Pacific region.

Defense Doctrine. Indonesia’s defense doctrine in peacetime is aimed at securing a favorable national and global environment conducive to economic growth and prosperity. Indonesia pursues this outcome through its foreign and defense policies and through developing and maintaining the military capabilities deemed necessary to support foreign policy objectives, to deter aggression, and to defend the nation’s sovereignty and interests if necessary.

Defense doctrine consists of three vital elements:

- The role of the people is foremost in the conduct of war; thus doctrine must be based on a concept of total people’s defense or resistance in which guerrilla strategies complement conventional capabilities.
- Whatever the cost, the territorial unity and integrity of the Indonesian archipelago must be protected, and thus doctrine must conceive of Indonesia as a single political, socio-cultural, economic and defense entity.

- The armed forces (ABRI) have a dual leadership function as both a military and a socio-political force.

Developments in recent years, including the end of the Cold War, have not invalidated the total people's defense doctrine; this first element has been strongly reemphasized. However, there have been interesting changes with respect to the second element. Territorial integrity and unity have been given increasing prominence, as this concept embraces the national archipelagic outlook requiring protection of Indonesia's Exclusive Economic Zone (EEZ). This has implications for Indonesia's procurement programs.

The scope, as regards the third element, of the formal role of the Armed Forces in the socio-political sphere has also become a matter of debate in recent months although the principle of this role is not in question. Over the years, this role has been given a constitutional and legal basis through legislation. But recently ABRI itself seems to be redefining its position, more as a motivating force than as a leading and guiding one in socio-political development. Symptomatic of this new direction, the President announced that the number of ABRI in the Parliament and Consultative Assembly would be reduced from 100 to 75 seats, the same number it had prior to 1987.

Two factors may be behind this new direction: the increased pressure for the development of civil society, and the rise of a younger generation in ABRI who emphasize the professional military role rather than the political role. Some in ABRI regard it as quite natural that ABRI's socio-political activities would be reduced, with its demonstrable success in promoting the institutionalization and smooth functioning of the political system. This gradual shift of emphasis in the dual leadership function of the ABRI will have no significant consequence for Indonesia's external defense posture nor for the regional balance of power.

Military Modernization. Even during the Cold War, Indonesia's military spending was very low considering the size of the country. It ranks 121st in military personnel per capita, by far the lowest in the ASEAN region. In the past five years, military spending has been less than 1.6 percent of Gross Domestic Product. Active military personnel number only 275,000 (excluding 174,000 police), down from 365,000 in the mid 1970s. Indonesia's relatively secure external environment, accompanied by the decreased internal threat, help account for this lack of emphasis on the military. However, in 1995, the military budget increased from \$2.3 billion to \$2.6 billion with procurement rising from \$530 million to \$600 million.

The new challenges for Indonesia are to defend its vast maritime area and increase its ability to control illegal activities in its territory. Indonesia's security

establishment may also regard the future Chinese security role in the region, above all its nuclear modernization program, as another important challenge. These emerging challenges make it quite logical that Indonesia should shift toward a more conventional military posture. Future arms acquisitions will be designed to strengthen conventional capabilities; especially in naval and air defense, to strengthen Indonesia's ability to deny access by hostile forces.

This is reflected in Indonesia's acquisition of arms and weapons systems, which included the purchase of 39 German corvettes and commitments to buy 50 British-designed Scorpion tanks and former East German troop transport and other vehicles. The government is also considering a purchase of 30 or 40 F-16s from the United States. These purchases, however, are moderate compared to the sophisticated air defense systems being purchased by ASEAN neighbors Malaysia and Singapore. In comparison to these countries, Indonesia's geography and attention to people's defense gives it greater strategic depth and less need of a preemptive defensive capability.

Threat perceptions are not the only factor affecting military purchases. Other influences include support for local defense industries and financial capabilities. After the collapse of oil prices in the early 1980s, Indonesia's defense modernization was severely curtailed, and despite a current growth rate of 6.5 percent per annum, economic constraints will continue to operate to slow military modernization. While Indonesia will support the development of its local defense industry, for the foreseeable future this will not result in the acquisition of weapons destabilizing to the regional environment. Despite considerable effort to develop an aircraft industry, only a civil airplane, the CN 235, has so far been produced.

The next round of purchases and/or domestic production will focus on air defense equipment and more combat-capable ships and maritime aircraft. This is a part of the longer-term plan to establish an archipelagic sea denial capability and become a regulator of the Southeast Asian maritime crossroads. So far, ABRI defense acquisitions have been very pragmatic. With its emphasis on internal security, the *Wawasan Nusantara* (Archipelagic Outlook) is more important as a doctrine for unifying the country than as a doctrine underpinning a blue-water strategy.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

There is a strong belief in Indonesia that in the post-Cold War environment the countries of various regional and subregions should bear the primary responsibility for the peace, security and stability of their respective regions. As explained above, Indonesia's primary interest and responsibilities lie in ASEAN

and Southeast Asia more generally. Indonesia has promoted regional resilience through a deepening of relationships among the ASEAN members on economic and social issues, producing dense and durable ties that have significantly lowered the chances of armed conflict in Southeast Asia. Over the years, Indonesia has sought to defuse potential conflicts within ASEAN, such as the Malaysia-Philippine dispute over Sabah. Indonesia's commitment to a good neighbor policy has special significance for Malaysia, Singapore and Brunei, once all targets of Indonesia's aggressive confrontation policy. Indonesian membership in ASEAN remains a form of reassurance to these neighbors.

In the past several years, stability at home has encouraged Jakarta to become more interested in security relations beyond ASEAN. Having worked hard during the past six years to strengthen their once turbulent relations, Indonesia and Australia signed a security agreement on December 18, 1995. This agreement, having treaty status, commits the two countries to consult if either or both is adversely challenged and to consider joint responses. It promotes security cooperation and establishes ministerial consultations on common security interests. Both Jakarta and Canberra agree that the agreement is not a military alliance. Since the two countries were already cooperating in joint military exercises and military exchange programs, many see the agreement mainly symbolic.

In the past, Indonesia played a role in ending the Cambodian conflict. Current priorities are the South China Sea and the Korean peninsula. In the South China Sea, Indonesia is a broker, having established a dialogue involving rival claimants to the small islands there. In the last two years, it appeared that Indonesia might itself become a party to the disputes in this region as Chinese descriptions of their claims in the South China Sea appeared to infringe upon Indonesia's Natuna gas field, the subject of a \$40 billion deal between the Indonesian state oil company and Exxon Corporation. Indonesia queried China about the maritime boundaries of its claims (there are no land forms in the area of potential overlap) and received a "verbal" guarantee that the field does not figure in the Chinese claim.

While the Korean peninsula is much farther afield, Indonesia has maintained relations for many years with both Korean governments. South Korea is now the fourth largest source of foreign investment for Indonesia as well as an important trading partner. As a signatory of the Nuclear Non-Proliferation Treaty, Indonesia has been concerned about the effects on regional stability should a breach of that regime occur. It also sees in the Korean peninsula the potential for a destabilizing arms race and augmented large power tensions in an area that has historically been a bone of contention among the larger Northeast Asian powers.

Both could spread and envelop Southeast Asia, damaging Indonesia's currently quite benign external security environment. To contribute to stability and non-proliferation in the Korean peninsula, Indonesia became the first ASEAN member of the Korean Peninsula Energy Development Organization (KEDO) and donated heavy fuel oil to the organization.

Indonesia's sponsorship and leadership of the ASEAN Regional Forum reflect the general support within the foreign policy establishment of increased regional security consultation and cooperation. It is recognized that global and regional cooperation are required to identify military build-ups, the proliferation of weapons of mass destruction, and other serious threats to peace and stability. Preventive diplomacy requires confidence or trust-building measures. Arms registers and other forms of transparency are practical means of implementing these concepts.

In 1995, the Department of Defense published a White Paper that assesses the changing strategic environment and outlines defense and security policy, defense posture, development programs, and the role of the military in national development. This is an important step, as the military historically favored secrecy as an important element of strategy. Despite some reservations about a regional arms register, Indonesia also supports the United Nations Register of Conventional Arms. It can be expected to support regional security consultations and the gradual implementation of enhanced confidence-building measures.

JAPAN

THE SECURITY ENVIRONMENT

In spite of the end of the Cold War and in part because of its end, Japan looks upon its external environment with concern. In comparison with its neighbors, Japan's own military establishment is small and is strictly oriented toward defensive missions. As Japanese analysts look at the environment around Japan, the following are their principal areas of concern:

- The situation in Russia must be closely watched. The prospects for political and economic reform are not bright, and the military may be regaining its influence. Japan is also worried about the lack of control over Russian weapons and weapons technology and by growing disorder in Russia itself. Russia's military forces themselves, however, do not pose an immediate military threat to Japan.
- China has grown relatively stronger with the relaxation of the Russian threat to the north. It continues to increase its military spending, and is making an effort to establish a blue-water navy, giving it meaningful projection capability. It also conducts nuclear tests, most recently just after the adoption of the indefinite extension of the Nuclear Nonproliferation Treaty and former Prime Minister Murayama's visit to Beijing, triggering a reduction in Japanese grant assistance. There has been a growth of concern in Japan about China's future regional role and the implications for Japan, especially given Chinese protests in 1996 over the Senkoku (Diaoyu) islands dispute. However, few see China as a direct military threat to Japanese territory or way of life. Rather, the chief concern is that China will seek to establish political primacy in the region.
- The tensions in March 1996 between Beijing and Washington at the time of the Taiwanese presidential election were a source of great unease in Japan. Although the Japanese government has maintained a strict one-China policy, it is clear that if China used military force to coerce Taiwan, China would be seen in a much more threatening light in Japan.
- The Korean peninsula is Japan's most immediate security concern. Japan is firmly opposed to the acquisition of nuclear weapons by the North and is supportive of efforts to end this threat through negotiations. Japan is a principal financial supporter of the Korean peninsula Energy Develop-

ment Organization (KEDO), which was established to help meet North Korean power needs through the provision of Light Water Reactors in exchange for firm North Korean adherence to the NPT and international inspections.

In the longer term, Japan is vitally concerned about the ultimate political arrangement of the Korean peninsula. If based on the will of the majority of the Korean people, a peaceful reunification would undoubtedly be welcomed in Japan. The division of the Korean peninsula into competitive governments is not advantageous from a Japanese security perspective. Instead, it fuels tensions, large-scale military forces, and competitive military acquisitions and weapons programs, creating a very substantial security concern in an area adjacent to Japan.

- There is a strong propensity for the United States to look inward, despite its reassurances of willingness to maintain its regional commitments and presence. It will be increasingly difficult for the United States to assume its full responsibilities as a balancer. A vacuum of power could appear, and China is best positioned to fill that vacuum.
- Aside from Northeast Asia, Japan is concerned with the security of its petroleum supply route through the Indian Ocean and Southeast Asia. Approximately 76 percent of Japan's petroleum comes from the Middle East. Political instability in the Middle East, or in countries along this long maritime supply route, could strongly affect Japan's economy.

In addition to external security concerns, several other factors have increased Japanese security anxieties. These include Japan's worst economic recession in the past half century causing significant dislocation and rising unemployment, a subway attack using sophisticated chemical weapons, increasing drug abuse, growing incidents of illegal use of firearms, and the aging of the Japanese population, imposing an increasingly large social burden.

In the face of increased uncertainties about the external security environment and Japan's ability to defend its own interests in this environment, support for the U.S.-Japan Security Treaty has remained high. The governmental authorities have continued to regard the Security Treaty as vital to Japan's security and foreign policies and as a contribution to regional stability.

DEFENSE POLICIES AND ISSUES

Japan's security policy is shaped by a number of legal parameters and basic policy choices. Article 9 of the Constitution, according to the government's inter-

pretation, prohibits defense forces beyond those needed for self-defense. Japan cannot commit itself to the security of other countries. In 1968, Japan adopted the "Three Non-Nuclear Principles," which stated that it would not possess or produce nuclear weapons or allow them to be introduced into Japan. For many years, Japan also made one percent of GNP an absolute ceiling for defense spending.

The New Defense Policy. A new and long overdue *National Defense Program Outline* (NDPO) was adopted on November 28, 1995, effective from 1996. It is the first such document since the previous one was formulated in 1976. The document stresses the continuation of the basic defense doctrine, that is, the principle of maintaining the capability for "defensive defense," which is to serve as the minimum base for the program.

The new NDPO is distinguished from the old one in several areas. First, the new NDPO no longer says that Japan's defense doctrine is to cope with a "limited, small-scale attack" by itself until U.S. forces will arrive for help. Japan will instead repel such attack from the beginning, together with the U.S. forces. Second, the NDPO draws attention to missions other than defending the national territory. The Self-Defense Forces (SDF) also to respond to crises stemming from large-scale natural disasters and terrorist attacks as well as those arising from regional conflicts. It also may participate in UN peacekeeping activities.

Third, the new NDPO emphasizes the regional and national importance of the alliance with the United States, stating that the alliance will continue to serve as a stabilizing factor in the Asia Pacific region and to provide a nuclear deterrence for Japan.

Under the new defense program, Japan will downsize its army divisions from 13 to 8, tanks from 1,200 to about 900, principal surface combatants from 60 to 50, and combat aircraft from 430 to about 400. Though the size of the SDF and arms may become smaller, greater efforts will be made in streamlining the forces and introducing high technology.

Defense Budget. Japanese defense budget for FY 1996 is ¥ 4,845.5 billion (about \$44 billion at \$1= ¥ 110), a 2.58 percent increase over the previous year. This is the largest rate of increase since FY1992's 3.8 percent increase, and contrasts sharply with 1995's 0.86 percent increase, the lowest increase for the Japan Defense Agency since 1954. The government explains this increase in terms of meeting the requirements of the programs contained in the New National Defense Program Outline and covering deferred equipment purchases.

The defense budget is projected to be 0.977 percent of GNP in 1996. Although the government decided in 1986 to scrap the policy of keeping the

defense budget below one percent of GNP, the budget continues to follow the policy in practice. This seems to help gain public support behind the defense policy in general.

The composition of defense budget varies from country to country. The Japanese budget does not include the fund for pensioned soldiers. Were the fund included, the defense budget would rise to about 1.5 percent of GNP.

Personnel. The Self-Defense Forces has about 239,500 troops, composed of approximately 151,200 members of the Ground Self-Defense Force, about 43,700 members of the Maritime Self-Defense Force, and about 44,600 members of the Air Self-Defense Force. It has only 48,000 reserves.

Low birth rates have reduced the available manpower pool. It has been estimated that over the next 15 years, the number of 18 year olds in Japan will drop by a further 40 percent from the present figure. Under these conditions, it is likely that military manpower will also contract. Japan needs to review its recruitment system and benefits in order to maintain manpower levels, but Japan's tight defense budget means that there is little scope to significantly increase benefits without further reducing manpower. It is also likely that women will play an increasing role in the military.

Procurement. Japan has 13 ground forces divisions, including one mechanized division; 63 principal surface combatants, composed of 8 destroyers and 55 frigates; 16 diesel-operated submarines; and 430 fighters. Though somewhat modest in quantity, the Self-Defense Forces enjoy high quality arms, including 100 P-3Cs for anti-submarine warfare and 6 surface to air missile groups with Patriots. In mid 1995, Japan produced the first model of the FSX, a joint development fighter-bomber program undertaken with a U.S. firm. Eventually, Japan plans to manufacture about 130 planes of its kind.

About 18.9 percent of Japan's FY1996 defense budget will be spent on procurement. Significant emphasis has been placed on domestic procurement or licensed production. Only about 10 percent of the equipment is imported, and most of that comes from the United States. Since Japan has a firm policy prohibiting arms exports, weapons production is confined to the relatively small domestic market, limiting the scope for efficient arms production. It is impossible for Japan to maintain production infrastructure for highly sophisticated defense technologies. As a result, Japan may have to increase arms imports, develop longer-term acquisition plans, and further rationalize domestic defense production to maximize efficiency. There are no signs, however, that Japan will relax the arms export prohibition.

Japan is cautious about deploying a theater missile defense (TMD) system because of its feasibility, cost, and above all, political sensitivity. The Diet passed a resolution in 1968 prohibiting the use of space for military purposes. Japan also fears that it may get dragged into an unwanted conflict.

U.S. Bases. Local resentments in Okinawa over the heavy concentration of foreign forces in that island, fueled by the September 1995 rape incident committed by U.S. service personnel, became an unexpectedly important defense problem in 1995–96. Following demonstrations in Okinawa and the refusal of the prefecture's governor to require Japanese citizens to continue leasing some lands to American authorities for base purposes, the Japanese and U.S. governments established a special action committee in November 1995 to review Okinawan base issues, including the possible relocation or downsizing of U.S. facilities; which produced a report in November 1996. The size, configuration, impact on local communities, and legal status of American forces will remain a long-term issue.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

Japan contributes to regional and global security through several important ways: (1) its own defense and arms control policies, ensuring that Japan will remain a "non-military" power; (2) the U.S.-Japan Security Treaty and the hosting of U.S. forces which serve the U.S. forward deployment strategy; (3) its growing contributions to U.N. peacekeeping; and (4) Japan's significant non-military contributions to regional peace and security. It does not seem likely, however, that Japan's direct contribution to regional and global security will change in any significant qualitative way in the near-term future. Despite public opinion surveys that show general support for increasing Japan's global contributions, the Japanese government and people remain deeply apprehensive about assuming military security or controversial diplomatic responsibilities. For the most part, the Japanese people hope to contribute to international security in relatively politically safe ways, such as hosting foreign forces and providing overseas assistance. There is still a strong aversion to significant Japanese overseas military roles and a strong belief that such roles would not be welcomed by Asian neighbors or the international community.

Self-Defense. In the aftermath of World War II, Japan's political leadership concurred with the view of the U.S. authorities that Japanese defense efforts should be strictly limited. With the advent of the Korean War, however, Japan began to rebuild its defense forces, but in a manner designed to be strictly limited to defense roles for the Japanese archipelago. The other policies men-

tioned above—the non-nuclear principles, the prohibition on arms exports, and the maintenance of a low level of defense expenditure relative to economic size—were regarded in Japan as assurance to the rest of the world that Japan would remain a non-military power. Gradually, Japan has expanded its definition of self-defense to include, for example, the defense of sea lines of communication. Japan has also increased its share of self-defense burdens as public support for the existence of the Self-Defense Forces increased. No longer is there an influential body of opinion that sees Japan's self-defense efforts as a threat to international security. Credible self-defense forces are now considered a contribution to security, both by helping fill any power vacuum in Japan itself and by providing a stronger basis for maintenance of a cooperative defense relationship with the United States.

U.S.-Japan Security Treaty. During 1995, the United States and Japan were engaged in an effort ("the Nye initiative") to articulate more clearly the rationale for the U.S.-Japan Security Treaty in the post-Cold War period to call attention to the contribution of the alliance to broader regional and global security, and to suggest means of developing a more effective defense relationship. At the April 1996 Hashimoto-Clinton summit, Japan announced that it will define how it can support the United States in times of crisis in Asia Pacific within its existing constitutional framework while the United States reaffirmed its commitment to its current level of forces and to reinforcing its security relationship with Japan. Thus the governmental authorities in both countries reaffirmed their alliance in the post-Cold War period, an alliance that is expected to contribute to regional stability.

UN Peacekeeping. Although for years the Japanese government interpreted participation in international peacekeeping through the United Nations as inconsistent with Japan's self-defense policy, international pressures to do more, particularly at the time of the Gulf War, encouraged Japan to develop a legal framework for contributing to UN peacekeeping. Under this framework, Japan can provide police and military personnel as part of peacekeeping task forces, but such personnel may not be engaged in military operations. Since then, Japan has sent personnel to Cambodia and Syria/Golan Heights as well as much more limited contributions elsewhere. There will continue to be external as well as internal pressure to reduce the constraints on Japan peacekeeping contributions so that Japan can contribute more directly to regional stability.

Host Nation Support. In 1995, the Japan Defense Agency budgeted ¥ 452.7 billion (or about \$4.12 billion) for "host nation support" for 45,000 American soldiers stationed in Japan. This amounts to about \$100,000 per soldier. The U.S.

needs about \$8 to \$9 billion to maintain its troops in Japan. Japan's coverage of \$4.12 billion is the highest contribution that any U.S. ally is making for the U.S. presence. Where operational support is concerned, Japan has gradually moved to improve the host nation support system, for instance in the form of the Acquisition and Cross-Servicing Agreement (ACSA), which is to mutually provide fuel and other necessary materials between the Japanese and U.S. forces. The ACSA was signed at the 1996 Hashimoto-Clinton summit, but its functions are rather limited. There are also ACSAs between the U.S. and South Korea and among NATO members.

Nonmilitary Contributions. Japan has long sought to call attention to the comprehensive nature of security and the importance of nonmilitary contributions to economic growth and political stability in developing countries. Japan is currently the largest single provider of economic assistance, especially in the developing world. Over time, the Japanese government has increasingly seen its foreign assistance as an instrument to achieve foreign policy goals, including promoting enhanced regional and global security. Beginning in the late 1970s and early 1980s, Japan explicitly sought to take security cooperation into account in its aid giving. In the late Cold War period Japan increased its aid to "front-line" countries such as Thailand, Pakistan, and Turkey. Its initiatives to organize international aid efforts to Mongolia and Cambodia also should be seen in the light of assisting countries making difficult transitions between socialism and—in Cambodia's case—war, toward market-oriented and peaceful societies.

In 1992 Japan adopted an ODA Charter which sought to link Japanese foreign assistance to several principles. In addition to promoting environmental protection, democratic governance, and human rights, the Charter was intended to ensure that Japanese aid not be used for military purposes and to encourage efforts by developing countries to limit defense spending and arms transfers. Although Japan has generally sought positive links through policy dialogue rather than sanctions, it has applied sanctions in limited instances. In 1994, Japan expressed regret to China following its nuclear tests and, in 1995, it suspended grant aid. Because of the small proportion of grant aid in Japan's economic assistance to China, this was largely a symbolic step, but one intended to demonstrate the degree of Japanese concern.

REPUBLIC OF KOREA

THE SECURITY ENVIRONMENT

The immediate security environment of the Republic of Korea (ROK) comprises two principal arenas: the broader arena of Northeast Asia, and the more specific arena of the Korean peninsula. Although tensions have declined in the broader arena, they remain high along the demilitarized zone where there are real and constant dangers of renewed armed conflict, accentuated by the North Korean submarine infiltration incident in September 1996. Sizable forces are arrayed on both sides—over one million troops in the North and 650,000 in the South—with no prospect in sight for reductions of arms control. Despite some improvement in the early 1990s, inter-Korean relations are at a low point. North Korea continues to pose the greatest and most immediate threat to South Korean security and dominates South Korean threat perceptions.

The North Korean Threat. Today, three dimensions of the North Korean threat may be discerned: North Korea's continued military efforts; its diplomatic efforts to create misunderstandings, or drive a wedge, in relations between Seoul and Washington; and its uncertain political future.

With respect to the military threat, the North's basic objective remains to unify the Korean peninsula under Pyongyang's control. It continues to give priority attention to its military rather than its deteriorating economy (see Table 1). In addition, North Korea is capable of building missiles and is exporting modified Scuds to the Middle East. Many South Koreans believe the North still desires nuclear weapons, despite the current agreement with the United States to forego them. North Korea also has the third largest stockpile of biochemical weapons in the world. Its tactics of subversion—ranging from infiltration to the subtle utilization of diplomatic gestures—give South Koreans no cause to lessen concern.

The establishment of the Korean Energy Development Organization (KEDO), following the October 1994 Geneva Agreed Framework between the United States and North Korea, was greeted in South Korea with ambivalence. North Korea finally had promised to seal off its nuclear reactors, to remain in the Non-Proliferation Treaty (NPT) regime, and to allow the International Atomic Energy Agency (IAEA) to inspect its nuclear facilities. In return, the United States promised to help provide North Korea with two nuclear power plants and improve its relations with Pyongyang. The agreement provided a solution to the North Korean nuclear proliferation problem, much to the relief of the South.

However, the prospects for Pyongyang's implementation of the agreement remain far from certain. Following the agreement, tensions once again increased when Pyongyang initially refused to accept the South Korean model reactor. Although the Agreed Framework has so far worked better than expected, South Koreans expect that similar controversies will continue to arise periodically.

The nuclear weapons negotiation also highlighted the second dimension of the North Korean threat—that the North would use its newly established direct contacts with the United States to drive a wedge between South Korea and its most important ally. Since the conclusion of the Agreed Framework, Pyongyang has pursued a multi-faceted strategy aimed at creating the perception of an isolated, ineffective South Korean administration. Its strategy has included a refusal to negotiate with Seoul and increased pressure on the United States to agree to bilateral U.S.-North Korea military talks, with frequent demands for a bilateral peace agreement with the United States to replace the current armistice agreement. Many South Koreans believe North Korea's ultimate objective is to create tension in the ROK-U.S. alliance, thereby forcing U.S. troops out of the South. Similarly, the North has pressured Japan to curtail consultations with the South.

Pyongyang unilaterally undermined the armistice regime by withdrawing its delegation from the Military Armistice Commission (MAC)—forcing the Chinese delegation to recall its delegation from the same commission—and by expelling Polish members of the Neutral Nations Supervisory Commission (NNSC) from North Korean soil. As a result of this series of unilateral and potentially dangerous moves by Pyongyang, the future of the armistice regime—the central instrument in maintaining peace on the Korean peninsula since the end of the Korean War—is in question. In April 1996, South Korea and the United States proposed four party talks (North and South Korea, China, and the United States) to discuss a permanent peace arrangement, but the North Korean government has not readily accepted this approach.

A third source of threat comes from the uncertainty regarding the future of the North Korean regime and inter-Korean relations following the July 1994 death of Kim Il Sung, the North Korean leader. South Korean analysts have explored three possible leadership succession scenarios: (1) a transitional regime under his son Kim Jong-Il; (2) a reformist military-technocrat coalition; and (3) violent collapse. Under the first scenario, only limited engagement between North Korea and its neighbors, including the South, is expected. Should the second eventually occur, Pyongyang could fully engage and expand relations with its neighbors. There are variants of the collapse scenario—but all three scenarios entail destabilizing political, economic, and social developments, such

as violent clashes within the North, military incidents by rogue forces, large-scale refugee movements, and an economic implosion.

In the event of a collapse, South Korea's deterrence policy against the North would be least effective because of fragmentation of control in the North. Moreover, a collapse would involve other countries around Korea readjusting their policies in the face of initial instability and an almost inevitable reunification. Although it is extremely difficult to make predictions, the South Korean government has been studying carefully such scenarios and their possible implications. Reports of economic desperation in the North and an increasing number of defections have given increased credibility to scenarios involving collapse or heightened internal tensions in the North.

Northeast Asia. Aside from concerns over North Korea, there has been an overall improvement in the international politics of the broader Northeast Asia arena. The preoccupation of most countries with accelerating economic development has encouraged cooperative commercial relations among countries in the region, including those that previously had been on opposite Cold War sides. As a result, trade among Northeast Asian countries has increased significantly in recent years, and interdependence is deepening. This is particularly marked in South Korea's economic relationship with China.

Nevertheless, South Koreans are concerned that the present trends may prove short lived. The reemergence of territorial disputes and the continuing tension across the Taiwan Strait (not to speak of the Korean situation) demonstrate the fragility of political-security relations in the region. From a South Korean perspective, a more fundamental cause for concern comes from shifts in distribution of power among regional states. For a combination of economic and geopolitical reasons, power relationships in Northeast Asia have changed very rapidly in recent years. This change leads to uncertainty, and uncertainty can increase the odds of misperception, miscalculation and conflict.

In this context, the active military build up in many Northeast Asian countries is a source of concern. The competitive acquisition of arms is being fueled by the obsolescence of existing weapons stocks and the general state of economic prosperity throughout the region. Above all, however, it has been stimulated by the strategic uncertainties surrounding the collapse of the Soviet Union and the reduction in American deployments in the region. In this regard, many South Koreans consider that the continued commitment of the United States to the region is essential in maintaining stability in the years to come.

Another serious challenge to the long-term security of the broader region is likely to come from internal factors affecting the international behavior of the

countries in the region. Major transformations—social, economic and political in nature—are taking place in key states in the region. The outcome of these transformations will determine to a large extent the nature of these countries' interaction with other nations and the future Northeast Asian security environment.

There is also a growing agenda of nonconventional security issues in the region—issues that do not involve direct military deployments, but which could give rise to the threat or use of force. These include the management of natural resources, the protection of the environment—transborder air pollution and the dumping of nuclear waste in particular—the handling of refugee movements, and the prevention of international criminal activities such as piracy, smuggling, drug trafficking and terrorism.

DEFENSE POLICIES AND ISSUES

Defense Objectives. The government of the Republic of Korea has defined its national goals as the assurance of independence, the achievement of social welfare, and the promotion of international standing and contribution to world peace. To achieve these goals, the Ministry of National Defense (MND) has the following national defense objectives: (1) defend the nation against external military threat and aggression; (2) support peaceful reunification of the nation; and (3) contribute to regional stability and world peace.

Given the continuing threat posed by North Korea, the ROK's primary defense objective is to deter the North from launching any military aggression. The ROK puts a high priority upon deterrence as opposed to waging all-out war. To deter conflict, the ROK has assumed a total defense posture integrating all necessary and available means and efforts. It also has maintained a solid defense alliance with the United States since the Korean War, primarily for the purpose of deterring North Korea. Many Koreans believe that even after Korean unity is restored, this defense alliance will continue to be necessary, possibly to deter Korea's neighbors.

The South Korean government also has pursued diplomatic means for preventing war in the belief that political reconciliation and economic interdependence among regional countries would contribute to easing tension and building confidence on the Korean peninsula. The centerpiece of the ROK's earlier diplomatic effort was its vigorous pursuit of its so-called "Nordpolitik," or Northern Policy. This approach culminated in the normalization of relations with the then-Soviet Union and the People's Republic of China. The Kim Young Sam Administration expanded on the earlier advances through its "Globalization" Strategy.

While deterring war is far better than having to defend against attack, the ROK also has had to prepare itself for the possibility that deterrence will fail and war will break out. Having suffered not only from inter-Korean confrontation, but also from continuous invasions in the past, the ROK has adopted an "Offensive-Defensive" strategy, or so-called "Never-Again" strategic attitude, toward both its northern half and neighboring countries in the region. The offensive-defensive posture would employ limited offensive military operations, such as preemptive strikes against enemy concentrations, if and when it is determined that an enemy is ready to embark on immediate offensive attacks on the ROK. It should be noted, however, that preemptive strikes are different from a preventive war waged against a potential adversary likely to launch military attacks if given enough time to arm. The ROK's offensive-defensive posture does not embrace the preventive war concept, but does accept the concept of preemptive strikes for defensive purposes only.

Defense Spending and Military Personnel. The ROK's "Never-Again" strategy requires military strength and solid structure. Seoul believes that for the purpose of defense, the ROK needs 1–1.5 percent of its population for standing troops and has to allocate 3–4 percent of its total GNP for defense purposes. Currently, the ROK maintains more than 650,000 troops (1.5 percent of its population) and allocates 3.7 percent of its GNP for defense.

The ROK maintains relatively large ground forces mainly because the North has an even larger ground force. More than 85 percent of the total number of troops belonging to North and South Korea are ground forces. In contrast, air and naval personnel make up only 4 and 7 percent, respectively, of the two sides' manpower. Once Korea is reunified, it may face entirely different kinds of threats from neighboring countries outside the Korean peninsula and may need to augment naval and air forces, as well as some strategic elements to meet these potential contingencies.

Defense Equipment and Procurement. In recent years, the ROK has upgraded its military preparedness to increase its self-reliance in the face of military contingencies. This was undertaken in the belief that self-reliance is needed to protect its own people and to make outside help more meaningful.

To enhance a self-reliant defense, the ROK has made strenuous efforts to bridge the military gap with the North. The ROK Army introduced Korean-made tanks and is planning to produce new models of helicopters and to modernize night-vision equipment and mobility-support equipment. It plans to replace the existing 155 mm howitzer with self-propelled guns and to computerize fire control systems in order to shorten response time. The army also has put major

facilities underground in order to enhance survivability at the beginning of a war. The ROK Navy has developed combat vessels—destroyers, escort ships and patrol boats—and has introduced anti-submarine aircraft and submarines. The ROK Air Force is proceeding with the Korean Fighter Program to match the North's MiG-23 and MiG-29 fighters. After completing these programs, the government believes it will be in position to defend South Korea from the North Korean threat alone if need be, as well as having the capability to cope with a certain level of possible threat from other neighbors.

Being situated where the interests of four major powers traditionally intersect, Korea's ultimate security dilemma lies in its relative lack of physical resources compared to these powers. No matter how militarily-strong Korea becomes, its neighbors are just too big for Korea to be able to purchase political independence through military strength. In the long term, Korea needs: (1) a military capacity substantial enough to discourage all potential adversaries from venturing aggression; and (2) a diplomacy that protects its continued autonomy, so that no one will be tempted into preemptive aggression against Korea. To cope with threats beyond its control, Korea particularly needs security arrangements that will survive changing circumstances in the future.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

Seoul's willingness to contribute to regional stability and global peace is an important component of its defense objectives. This approach is well reflected in South Korea's recent moves to promote friendly relations with neighboring countries, strengthen regional dialogue activities, and participate actively in the peacekeeping activities of the United Nations.

Regional Security Cooperation. The idea of establishing multilateral mechanisms to manage security problems and address other emerging concerns in East Asia is now receiving wider support among many of the nations in the region. The ROK was one of the earliest proponents for establishing a regional cooperative security regime. In 1988, South Korea proposed the Northeast Asian Consultative Mechanism, whereby six countries in Northeast Asia would consult on issues of mutual concern. Now, a multilateral security dialogue encompassing the entire Asia Pacific region has begun with the launching of the ASEAN Regional Forum (ARF). The ROK supports the ARF as a region-wide security forum and is actively engaged in the ARF process.

The Asia Pacific region, however, consists of several subregions with different security equations. Northeast Asia is the most critical of these because of its volatility and the sheer magnitude of the population and economic resources

concentrated there. Recognizing this, the ROK seeks to establish a Northeast Asia Security Dialogue, although the government has adopted a gradual approach, taking into account historic realities as well as differences in the political systems and economic development among regional countries. The government believes that regional security cooperation should initially place its main emphasis on preventive diplomacy, conflict prevention and confidence-building.

Participation in UN Peacekeeping Operations. Although joining the United Nations only in 1991, the ROK is participating actively in UN activities, including those related to peace and security. Its first contribution came in July 1993, when the ROK dispatched a military construction unit—the 250 person Evergreen Unit—to Somalia. The unit mainly engaged in road repair work assigned by UNODSOM II Headquarters and successfully completed its mission. In June 1994, the Ministry of National Defense sent a forty-two person armed forces medical service unit to MINURSO in Western Sahara at the request of the United Nations. In addition, the MND sent ten military observers to the UNOMIG in Georgia and two military observers to the UNMGIP in Kashmir. The MND also has responded positively to UN efforts to launch a standby peacekeeping arrangement by notifying the UN of its available resources.

Because the Korean peninsula itself remains one of the world's most dangerous spots, concerns were expressed initially in Seoul about the decision to dispatch troops abroad, regardless how small the numbers might be. However, the government of the ROK believes that a stronger UN will be conducive to creating and maintaining a stable international environment that would serve the national interests of South Korea. Public opinion in the ROK widely supports this view.

Table 1.
Military Capability of South and North Korea (as of 1996)

CLASSIFICATION	SOUTH KOREA	NORTH KOREA
TROOPS		
Army	560,000	920,000
Navy	66,000	47,000
Air Force	64,000	88,000
Total	690,000 ^a	1,055,000 ^b
GROUND FORCE		
Unit		
Corps	11	20
Divisions	50 ^c	54
Brigades	21	99
Equipment		
Tanks	2,050	3,800
Armored vehicles	2,250	2,800
Field artillery	4,700	11,000
NAVAL FORCE		
Force combatants	180	434
Support vessels	50	335
Submarines	4	35
AIR FORCE		
Tactical aircraft	530	840
Support aircraft	160	510
Helicopters	630	290

NOTES:

a. Excluding those enlisted for defense call-up, and including Marine Corps troops within the Navy.

b. The Marine Corps troops who are organized into the Army are included in the Army.

c. Including Marine Corps divisions.

Source: Defense White Paper 1996-1997

Table 2.**Proportion of Defense Outlay in the Government Budget by Fiscal Year**

1991	1992	1993	1994	1995	1996
28.7%	26.3%	25.2%	24.2%	23.0%	22.0%

*Based on finalized budget.***Growth Rates of Government Budget and Defense Budget of Fiscal Year**

Classification	1991	1992	1993	1994	1995	1996
Growth rates of government budget (%)	18.9	23.1	14.6	13.7	15.6	16.0
Growth rates of defense budget (%)	12.3	12.9	9.6	9.3	9.9	10.6

*Based on finalized budget.***Comparison of GNP by Fiscal Year/Government Budget to Proportion of Defense Budget**

Classification	1980	1991	1992	1993	1994	1995	1996
Comparison against GNP (%)	6.0	4.0	3.6	3.5	3.5	3.3	3.1
Comparison against government budget (%)	35.9	27.6	25.1	24.2	23.3	22.2	21.1

*Based on finalized budget.***Composition of Defense Budget in Fiscal Year (%)**

Classification	1980	1991	1992	1993	1994	1995	1996
Total defense budget	100	100	100	100	100	100	100
Military capability maintenance cost	39.0	34.8	33.0	31.6	30.2	29.1	28.3
Operation of military force cost	36.1	42.4	44.1	45.0	45.7	45.6	47.0
Equipment maintenance cost	11.4	9.6	9.6	9.4	9.3	9.8	9.7
Barrack maintenance cost, etc.	13.5	13.2	13.3	14.0	14.8	15.5	15.0

MALAYSIA

THE SECURITY ENVIRONMENT

In its four decades of independence, Malaysia (Malaya before 1963) has faced a variety of external and internal security threats, most notably confrontation from Indonesia (1963–66) and a long-standing internal communist insurgency. The country was also rocked by serious ethnic tensions in 1969. But years of good relations with its neighbors, outstanding economic performance, and continued social and political stability have created an environment in which Malaysians generally feel quite sanguine about their security environment.

Externally Malaysia faces no direct or immediate threats. Regional trouble spots do cause some concern, but these are generally regarded as distant or largely contained. Despite the conflicting territorial claims in the South China Sea, where Malaysia is one of the claimants, Malaysian analysts have tended to discount the likelihood of a serious regional conflict there. The longer-term political stability in Cambodia is another concern, but that should not involve or draw in the outside powers. Other potential regional trouble spots—the Taiwan Straits and the Korean Peninsula—are more distant.

This optimistic view stems in part from a positive assessment of the benefits of interdependence and in part from Malaysia's positive experience with regional cooperation. Economic growth and interdependence, it is believed, have increased the costs of conflict and given the established governments a stake in a peaceful order. The creation of the Association of Southeast Asian Nations (ASEAN) after the Indonesian confrontation has provided a cooperative framework involving Malaysia with all of its near neighbors. The political and ideological problems and threats that existed in the past are hardly discernible. Thus the external challenges facing Malaysia today are more economic than military in nature. These include increased international competition, the growth of protectionism in Malaysian markets, and the impact of currency volatility. As noted below, these could affect internal economic well-being.

Like other countries in Southeast Asia today, Malaysia regards its more significant security threats as being essentially internal. This does not because internal threats have become more serious, but because in a more benign external environment they are relatively more prominent. Three categories of challenges—political, economic and social—affect Malaysian security. These are discussed below in ascending order of concern.

First, there is the prospect of internal disturbances by politicized extremist elements or sectarian groups. Whether acting on their own or by proxy, such groups constitute a potential threat through agitating and/or seeking to create divisions in Malaysia's multiracial and multireligious society. The Communist Party of Malaya (CPM) was the principal open insurgency the Kuala Lumpur government has faced, but the main forces of the CPM retreated in Thailand in the 1960s and could only mount occasional harassment efforts across the border in the years since. In the 1970s, Kuala Lumpur normalized relations with Beijing, the CPM's external source of support. Further demoralized by the collapse of communism in East Europe, the remnants of this movement finally renounced armed struggle in December 1989. The CPM has so completely collapsed, and other insurgent or separatist groups have been so insignificant, that domestic insurgency is of low concern even as a potential threat. The state security apparatus and legal system are fully capable of isolating and containing such groups and ensuring that they never reach critical mass.

Second is the threat of a loss of long-term economic competitiveness. It is widely believed in Malaysia that national unity and harmony depend on continued economic growth and an equitable distribution of wealth. To continue strong economic growth Malaysia needs to enhance labor productivity, improve infrastructure capacity, and further develop its human resources. While concern over the possible failure of the country's economic system is not a strategic threat in the classical sense, the danger is no less real and could have severe internal and external consequences. Malaysia's possible lack of sustained economic competitiveness is viewed as a potential, but still manageable, problem.

A third concern arises from the opposite scenario—that rapid economic development could erode cohesive societal values. Increased materialism may cause an erosion of humane and moral values, resulting in a rise of corruption, crime, conspicuous consumption, drug abuse and idleness. Another socially disturbing consequence of Malaysia's prosperity is the rapid increase in immigration, much of it illegal. While these issues again are not military security threats, they are of growing concern for Malaysia's quite traditional and religious-oriented society.

As these security concerns are domestic in nature, their solutions lie principally at the national level. They are, however, common in the region. When appropriate, as in the cases of drug enforcement and the suppression of piracy and smuggling, the Malaysian government seeks coordination with outside countries. Obviously, however, these issues do not require international alliances and only may rarely involve the military forces.

DEFENSE POLICIES AND ISSUES

Defense Objectives. Malaysia has adopted a doctrine of Comprehensive Security which seeks to bring to bear a number of security assets—diplomacy, sound socio-economic policies, and military capabilities—in a positive, pro-active approach to build the foundations of peace and stability. Malaysia's Collective Security approach encompasses economic and social forces, including nongovernmental organizations, as well as more traditional diplomatic, political and military components. Along with its partners in ASEAN, Malaysia also shares the concept of "regional resilience," that is, creating regional strength through national unity and regional cooperation.

Diplomacy is an essential tool of Comprehensive Security and serves as the country's first line of defense. Malaysia has long sought to establish fraternal relations with all countries, regardless of differences of ideology, economic or political system, a policy which has been greatly facilitated by the country's non-aligned status. Other tools of Comprehensive Security are Malaysia's internal efforts to strengthen national unity through the cultivation of good citizenship and its economic and social policies to increase and better distribute wealth.

In the military field, with the end of the CPM insurgency, there has been a dramatic re-orientation of Malaysia's defense orientation from counter-insurgency warfare (CIW) capabilities to a more conventional, externally-directed posture. In keeping with this notion, Malaysia has recently purchased more sophisticated weapons systems. It is a something of a paradox that Malaysia has adopted a more traditional externally-oriented conventional defense posture just when external threats appear to be at their lowest ebb. As pointed out, this does not reflect increased external security concerns nor reduced reliance on diplomacy. Rather, Malaysia, as an internally peaceful and still relatively small nation, can now afford to concentrate on making "deterrence" the cornerstone of its military defense policies. As part of an increasingly successful and confident Southeast Asia, Malaysia seeks to outgrow its earlier dependence on great powers outside of the region.

Defense Spending. For ten years (1982–91) Malaysia's defense budget and arms imports dipped during a time of global recession, but they have risen since. The increases in military expenditures in the 1990s corresponded with the shift toward strengthening conventional deterrent capability. Recent purchases of fighter jets and offshore patrol vessels and the decommissioning of dated equipment are consistent with this shift. Other defense expenditures have been made to more extensively train personnel for peacekeeping operations. The govern-

ment has also sought to improve terms and conditions for its military personnel consistent with increased opportunities in the private sector.

There is little internal debate on defense spending issues. Within the ranks, differences occasionally arise over issues such as whether the Royal Malaysian Navy needs a submarine fleet. Differences of opinion have also surfaced over staff allowances and the merit of converting the Royal Malaysian Air Force's C-130 Hercules aircraft into tankers. These differences derive largely from budgetary criteria and do not reflect debate on basic strategic direction.

Personnel. In line with the reorientation in Malaysia's defense capabilities, its troops need increased training with the more sophisticated weapons being purchased and increased combat readiness. There is also a shift toward more reliance on technology and less on manpower. It is anticipated that the Army will be reduced by 6 percent in coming years.

To meet new defense needs, special military and police units—such as the Rapid Deployment Force and the *Unit Tindakan Khas* (Special Action Force)—have been formed. Because of the past emphasis on counter-insurgency, there has been little practical distinction between Malaysia's regular military and its police forces. This may change. Existing units, such as the paramilitary Police Field Force—a hybrid entity of police and army elements designated for counter-insurgency operations—may be reassigned, or at least will likely face declining utility. The Federal Reserve Unit, reputed for their tough and uncompromising riot control methods, have lately incorporated a women's section.

Joint operations with counterpart forces from other countries in the region for the purposes of countering smuggling, piracy and illegal migration have growing priority. Malaysia's frequent participation in United Nations Peacekeeping Operations also puts a premium on training troops for multi-country operations.

Equipment and Procurement. A combination of factors have affected Malaysia's procurement policies in the 1990s. These include the re-orientation of national security doctrine towards a conventional defense posture requiring greater capital expenditures, the availability of cheap Russian equipment, and the increased economic capability of the country, giving it a substantial procurement budget. Nevertheless, increases in the procurement budget (as distinct from the larger defense budget) were still relatively measured, particularly when competitive counter-offers to proposed Russian arms sales are considered (when Russia offered to sell MiG-19 Fulcrums to Malaysia, the United States countered with F/A-18D Hornets). This strong competition contributes to the diversification in Malaysian defense procurement and helps constrain procurement costs.

Traditionally, Malaysia has been a good customer of British arms. The British link—a legacy of the colonial era—is also symbolized by the Five Power Defense Arrangement (FPDA). In recent years, however, Malaysia's pragmatism and desire for increased independence combine to encourage diversification of procurement and defense ties more generally. Although diversification makes sense in terms of value and decreasing sole-source dependence, there are concerns over complementarity and inter-operability.

Parallel procurements from different sources do not signal a trend in Malaysia. The trend rather can be found in the country's new linkages. An important one is South Africa. Two contracts for South African military equipment were secured in early 1995, with the prospect of parts supply for Malaysian military aircraft still to come. There is also continuing discussion with Johannesburg on joint training for officers and pilots, with an overall emphasis on complementary activities. It has been said that Malaysia can contribute infrastructure and telecommunications know-how to South Africa, while South Africa offers advanced technical skills to Malaysia.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

Malaysia's foreign and defense policies are characterized by pragmatism. Pragmatism, however, is tempered with a sense of ethical duty in the conduct of international relations. This has resulted in a commitment to contribute to the construction of a more just, peaceful and stable regional and world order.

Peacekeeping Efforts. On regional issues, such as the multi-party dispute over ownership of the Spratlys, Malaysia sees an important role for institutions like the ARF and prefers that such matters be dealt with multilaterally. In an extreme case involving open conflict, Malaysia would deem an appropriate United Nations role desirable. Such peacekeeping operations would need to be genuinely multilateral to be credible and legitimate. Malaysia would be prepared to contribute its share so long as these operations were handled proficiently and had a reasonable chance of success. Malaysia has a consistent record of contributing to UN forces and observers overseas—from the Congo (early 1960s) through Cambodia (early 1990s) to its more contemporary participation in UN operations in Angola, Bosnia, Iraq/Kuwait, Liberia, Mozambique, Somalia and Western Sahara. Malaysia is deeply involved in UN-related peacekeeping activities, in various other multilateral fora including ASEAN, and in bilateral arrangements for training, foreign assistance and other purposes. Despite its modest size and developing country status, Malaysia is the world's 7th largest contributor to UN peacekeeping activities.

Arms Transfer Policies. Malaysia has no policies on the sale or transfer abroad of weapons and is unlikely to adopt any. It is a net importer of weapons and weapons systems and only lately has developed the prospect of establishing a limited small arms manufacturing capacity. However, Malaysia remains open to proposals for viable joint-ventures in all sectors. These proposals have to make good economic sense and not alarm others in the region, while they should also complement Malaysia's needs and offer useful transfers of technology.

Multilateral Cooperation. For Malaysia, regional cooperation with neighboring countries is seen as the key to security and defense concerns. Such cooperation ranges from constructive engagement to partnership in groupings like the FPDA, the Organization of Islamic Countries, the G-15, the G-77, the Non-Aligned Movement, the Commonwealth and a host of ASEAN and UN-related activities. Malaysia's membership in the FPDA, despite its dated colonial concept, is testimony to the importance it accords to international cooperation. Malaysia's openness to inclusive economic, diplomatic and social exchanges with all countries in the region is consistent both with its non-aligned status. The Malaysian government repeatedly voices its commitment to peaceful negotiations as a means to settle outstanding disputes. To strengthen the ties of peace through cooperation, Malaysia fully supports moves to engage Myanmar and China, while also embarking on military cooperation with North Korea. In so doing, Malaysia hopes to demonstrate its goodwill and faith in being a good regional neighbor and global citizen.

The Malaysian government has generally been very positive toward supporting a variety of regional security initiatives. Mindful of its ASEAN obligations, Malaysia has been fully represented in all regional security fora. It also has been cognizant of the interests or sensitivities of its ASEAN partners and has occasionally muted its own views to maintain regional solidarity. The regional security initiatives most favored by Malaysia are ones that are truly multilateral.

Malaysia will work with other countries in seeking to overcome some obstacles to better security cooperation in the Asia Pacific region. These obstacles include:

- Defense support conditioned on or linked to political objectives, as evident, for example, in the U.S. suspension of the military exchange and training (IMET) program for Indonesia on the basis of alleged human rights violations. Politicization of defense issues and relations, especially when it involves internal affairs, creates misunderstandings and

suspensions that undermine the basis for improved regional security relations.

- The lack of transparency in military affairs. This absence may be cultural and deep-seated or a product of an incomplete transition of traditionally closed societies toward a more open global order. The introduction of regional and international arms registers should help encourage greater transparency. More important measures, however, include cultivating positive relations through constructive engagement and avoiding unnecessary tensions.
- The incomplete dialogue on regional security. Malaysia is working with its ASEAN partners to strengthen and widen the ASEAN Regional Forum, but the ARF is still in its infancy. Complementary dialogue that is neither contradictory nor diversionary with respect to ARF may also be helpful. For example, greater initiatives could be undertaken with regard to the multilateral dispute over the Spratlys, particularly at a time when all claimant states appear to endorse more diplomatic efforts to resolve the problem. All such dialogues need to be frank and deal with the issues of central concern to regional peace and security.

NEW ZEALAND

THE SECURITY ENVIRONMENT

New Zealand's singular geographical situation as a remote island country protected by the huge natural moat of the South Pacific shapes its approach to security. There is no perception of an external military threat to New Zealand's own physical security. Thus New Zealand's defense policies and capabilities are not based on a stand-alone defense of the homeland but on the contribution they can make, along with other policy instruments such as diplomacy and aid, to the protection of its broader external interests.

New Zealand's economic situation, its location in the Asia Pacific region, and the commitment of its people to improved quality of life around the world all define these broader interests. New Zealand's prosperity depends very substantially upon trade. Since 1984, the country has been engaged in a private sector-led diversification of production and export dependencies. Today seventy percent of exports go to Pacific Rim markets and 30 percent elsewhere. Thus the prosperity and security of Asia and the Pacific will decisively condition the prosperity and security of New Zealand itself. Moreover, the security of sea lanes, air connections, satellite and fibre optic communications as well as maintenance of an open regional and world trading system are of vital importance to New Zealand as a remote island economy integrated into the global goods and services economy.

New Zealanders tend to be optimistic about the present Asian regional security outlook. There is no over-arching threat or any group of countries bent upon aggressive expansion or the denial of security to others. The tensions in the Taiwan Straits, the Korean peninsula, and the South China Sea all illustrate a continued potential for conflict, but none is so severe as to jeopardize regional stability as a whole. Similarly, Asian arms modernization programs bear watching, but none appears connected to aggressive intentions. Economic interdependence can produce frictions, for example, over the terms of trade, access to natural resources, and irresponsible ecological behavior. But the priority attached throughout Asia to economic growth creates a strong collective incentive to manage frictions prudently in order to continue the successes already achieved.

Of the developments now occurring in the region, the modernization of China is probably of greatest historic significance. The way in which China pur-

sues its path toward national strength and the responses of other countries will have a significant impact on peace and stability in the region and will condition the future of regional cooperation efforts. China's current modernization policy based on openness marks a decisive break from that country's introspective past. New Zealand's approach to China is based on encouraging this openness through including China in regional and multinational fora.

Because of New Zealand's location and its ethnic, cultural, historical, and even constitutional links with the Pacific Islands region, New Zealand conceptions of its own external interests include the well-being and security of the Pacific Island nations. The security threats to these countries are basically non-conventional ones. They include sea-level rise, unsustainable resource exploitation including irresponsible tropical timber exploitation by Southeast Asian and other commercial interests, destruction of marine resources by over-fishing or pollution, natural disasters, international crime, and health concerns. New Zealand's response includes deployment of defense capabilities for natural disaster relief and community care needs as well as for assistance in surveillance of maritime jurisdictions.

DEFENSE POLICIES AND ISSUES

Alliance Relations. As a small country, New Zealand understands that its efforts to protect its broad security interests cannot be achieved by itself but require association with like-minded allies. Its most significant security relationships are its bilateral ties with Australia, the tripartite 1951 ANZUS Treaty with the United States and Australia, and links with Britain, Australia, Singapore and Malaysia in the Five Power Defense Arrangements (FPDA).

New Zealand and Australia share deep cultural and historical ties and have military links that date back to the formation of the Australian and New Zealand Army Corps (ANZAC) during the first World War. Although New Zealand is a member with Australia in ANZUS and the FPDA multilateral relationships, since 1991 there have been moves to strengthen the two countries' bilateral security relationship under the title of Closer Defense Relations (CDR). The CDR is not a treaty and entails no formal obligations. Rather it is an agreement to increase the effectiveness of both countries' armed forces through consultation, the development of complementary force structures, high levels of interoperability, and improved coordination. As yet there is little attempt to formulate common policies and no attempt to establish combined units except as an ad hoc response to circumstances. The essence of CDR is that it is a process and one that moves at

a pace with which both sides feel comfortable.

The defense relationship with Australia became more important to New Zealand following the U.S. suspension of its ANZUS security guarantee to New Zealand in 1986 due to New Zealand's non-nuclear legislation. This policy banned all nuclear weapons and nuclear-powered vessels from New Zealand, thus effectively precluding the entry of all warships unless they were conventionally powered and certified as not carrying nuclear weapons. The U.S. response ended all top-level bilateral diplomatic, political and military contracts, port visits by U.S. naval vessels, intelligence sharing, exercises and the preferential supply of military equipment. The break in military relations with the United States inflicted tangible losses for New Zealand (absence of joint exercising, professional interchange and access to equipment, for example), but it produced a more self-reliant approach to strategic thinking and, in some instances, effective improvisation in operation of equipment.

Since the end of the Cold War, the New Zealand-U.S. relationship has improved slowly, benefiting from President George Bush's 1991 decision to remove all nuclear weapons from U.S. surface vessels and a fresh approach brought to the issue by the Clinton Administration. Top-level political and diplomatic ties were resumed in 1995. The full range of security dealings have not been restored, however, pending what the United States describes as the "unfinished business" of New Zealand nuclear legislation and its ban on nuclear ship port visits. As far as New Zealand is concerned, successive governments have stated that they regarded the ANZUS Treaty as remaining in force. The treaty officially is considered as an important pillar of the defense relationship with Australia.

There are no grounds to believe New Zealand will modify its non-nuclear legislation. In a post-Cold War world where a major security preoccupation is the nonproliferation of nuclear weapons and capability, New Zealand's non-nuclear policy assumes added relevance. For the majority of New Zealanders the passage of time and world events have thus seemed to validate the correctness of their approach.

The Five Power Defense Arrangement originated in 1971 and provides a platform for networking and confidence building among the partners. For New Zealand, the FPDA is a useful and practical vehicle for joint exercises, to be supplemented by bilateral arrangements with the individual countries.

Personnel and Force Structure. New Zealand's defense expenditure decreased as a percentage of GDP from 1.96 percent in 1986-87 to 1.4 percent in 1996. One consequence is a decline in the personnel strength of the New

Zealand Defense Force (NZDF) with cuts in all three services. In 1991–92 New Zealand's total armed forces comprised 11,300 personnel (4,900 Army; 2,500 Navy; 3,900 Air Force). In 1996, there were 10,000 members (4,500 Army; 2,200 Navy; 3,300 Air Force). The New Zealand army and air force are now consolidating force structure changes developed and implemented from 1993 to 1996. In essence the army has changed from a reinforced regular ready reaction force (one regular battalion with another in support) supported by a reserve infantry brigade to a two group (two regular battalions) integrated regular and reserve structure with the capacity to expand to a brigade. The air force has rationalized its operations and logistics functions into a single air command.

Capabilities. Current NZDF capabilities are limited, as most of its combat equipment is aged. The Navy's frigate fleet is obsolete. The acquisition of two ANZAC (Meko 2000 class) frigates, the first due for delivery in 1997, will provide New Zealand with a modern, although small surface combat fleet. Wellington has the option until November 1997 to acquire two additional ANZAC frigates. The Navy also plans to procure new anti-submarine helicopters. In addition it has successfully brought into operation its first logistic support ship.

Beyond low level operation, Army capabilities are limited. It has no medium and heavy artillery, modern anti-tank capability or medium and heavy armored vehicles. Its lack of air defense capability, however, should be redressed by the purchase of a Very Low Level Air Defense System. Despite being lightly armed, the army is professional and trained to high standards. It can operate in the full spectrum of conventional operations and has successfully participated in UN peacekeeping missions. Its ability to operate at night will be enhanced by the purchase of night vision equipment.

The air force has a mix of modern and aging capabilities. Its strike capability consists of old aircraft (the A4K Skyhawk) fitted with modern avionics. The surveillance platforms (P3K Orions) are old, but are to be rewinged and possibly fitted with new avionics in the near future.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

Historically New Zealand has played a broad role in regional and global security as an individual country and in association with other countries in the Asia Pacific and elsewhere. In the Pacific, New Zealand has constitutional responsibilities for the security of the Cook Islands, Niue and Tokelau and, implicitly, through a Treaty of Friendship, Western Samoa. Security assistance has also been provided for a number of years to a number of the other Pacific Island states including Papua New Guinea, Tonga, Fiji, Vanuatu and the Solomon Is-

lands under the Mutual Assistance Program.

In Southeast Asia, New Zealand has well-established security links with Singapore and Malaysia and continues to be involved in the region through the consultative mechanisms of the FPDA and its collective training activities. The marked increase in bilateral defense exercises and contacts with ASEAN members, particularly Malaysia and Indonesia, is also a sign of this commitment. At the broader Asia Pacific level, New Zealand participates enthusiastically in the new multilateral security processes of the ASEAN Regional Forum (ARF). It is a member and an early financial supporter of the Korean Peninsula Energy Development Organization (KEDO). Bilaterally, New Zealand is working to strengthen its defense arrangements with Australia, Malaysia, Singapore, Indonesia, Thailand, Japan, South Korea, China, Canada, and the United States.

New Zealand actively promotes global peace and security. It believes that multilateral diplomacy extends the influence that a small country can have and thus seeks to use the opportunities offered by the UN system to work in concert with like-minded countries in the political, economic, and trade domains. It has been a member of the United Nations since its founding and conscientiously pays its full dues on time. With the end of the Cold War and with the experience of a term on the UN Security Council in 1993–94, New Zealand reinforced its involvement in UN peacekeeping. NZDF personnel are or were recently deployed in peacekeeping operations in Bosnia, Iraq, Mozambique, the Sinai, Angola, the Middle East and Cambodia. Combined ANZAC signals and mine clearance teams served in the recent UN peacekeeping operation in Cambodia, and Australian and New Zealand personnel have also worked cooperatively in Somalia, Rwanda, Mozambique, Lebanon, Syria and the Sinai. In all, New Zealand participated in nine UN or multinational peacekeeping operations during 1995–96. New Zealand's global contributions complement its regional commitments. For a small country committed to good global citizenship, there is a mutually reinforcing quality in New Zealand's global and regional policy.

New Zealand is a strong proponent of nuclear disarmament. In effect, its non-nuclear policy calls into question the utility of nuclear deterrence for the defense of New Zealand itself. New Zealand originated the proposal for a South Pacific Nuclear Free Zone, and with others it has sought an advisory opinion from the World Court on the legality of nuclear weapons. The New Zealand government has strongly supported the nuclear nonproliferation treaty, the comprehensive test ban treaty, and other multilateral arms regimes. The government believes that the five acknowledged nuclear weapons states should

undertake to reduce and eventually eliminate their nuclear arsenals. For this reason, among others, New Zealand was a leading opponent of French nuclear testing in the Pacific.

New Zealand also is active in other areas of arms control. One important change this year came in its stand on landmines. New Zealand supports the outlawing of these weapons by international treaty and has forsworn the use, manufacture, or export of landmines. It has been appointed to full membership of the UN Committee on Disarmament.

PAPUA NEW GUINEA

THE SECURITY ENVIRONMENT

A number of basic features shape the security environment of Papua New Guinea (PNG): its size, ruggedness, socio-cultural diversity, early stage of economic development, and its South Pacific location between Indonesia and the Solomon Islands. PNG is 2,000 kilometers from east to west and 1,200 kilometers from north to south. With the inclusion of some 600 smaller islands, its territorial claims cover a sea area of over 3 million square kilometers. The physical ruggedness of the landscape and the vast ocean spaces contribute to the country's socio-cultural diversity and constitute tremendous barriers to economic development. More than seven hundred languages are spoken. Welding this territory and people into a modern nation remains the premier challenge facing the PNG government. While engaged in this internal task, PNG requires a favorable external environment. Strong or improving relations with its neighbors provide such an environment.

Internal Security Challenges. From the perspective of government policymakers, the most pressing security challenges are internal. There are several distinct but related internal security problems, all of which contribute to potential political instability and, unless effectively addressed, could threaten the survival of the central government. First, there is the maintenance of law and order by controlling criminal activities, public disputes and riots. That task concerns the country's police and paramilitary forces. A second concern is the distribution of resources among the provinces. This is an issue of political management. A final concern is where the law and order situation or provincial unrest has escalated to the point of open insurgency requiring action by the regular military forces in defense of the country.

Law and order has become a serious internal security concern in recent years. Well-organized criminal gangs operate in the cities. On occasion, public demonstrations have turned into riots. Outside the cities, occasional tribal fights over land disputes occur, a problem especially common in the highland provinces. The Royal Papua New Guinea Constabulary (RPNGC) has responsibility for the immediate security aspects of such problems.

Inter-provincial and provincial-central government tensions over resource allocations have been increasing but have not led to violence. Mineral and natural resource rich provinces, following the lead of North Solomon Province, are particularly strident in demanding that they be allowed to keep a greater share of

the wealth generated in their provinces through increased royalty and revenue-sharing percentages from the national government. Landowners have often joined in pressuring their provincial and national governments for increased benefits. Following open rebellion in Bougainville, the national government that has learned that it is best to address and try to resolve distributional issues before new mining operations commence.

Insurgency is a problem in Bougainville. Originally viewed as a law and order problem stemming from a land compensation dispute, the situation escalated to become a serious military security concern when landowners-turned-militants developed a well-organized force called the Bougainville Revolutionary Army (BRA). The BRA has a military command structure and has engaged in hit-and-run guerrilla tactics against the government. Another security concern is the existence of the Organisasi Papua Merdeka (OPM) operating at a low level in areas near the border with Indonesia. The OPM is a small group of indigenous Melanesians from the western half of the island of New Guinea who oppose the Jakarta government's control and incorporation of Irian Jaya as Indonesia's 27th province. OPM members occasionally mount small-scale terrorist actions at Indonesian authorities.

Needless to say, internal security concerns arising from the crime situation and Bougainville insurgency are of grave concern to PNG leaders, to the country's citizens; and to potential foreign investors. Adverse internal security conditions have already deterred some foreign companies from investing in PNG, especially in the mineral sector.

External Security Relations. PNG's external security concerns closely parallel its internal ones in that they principally involve international dimensions of internal concerns. The PNG government has identified the following possible scenarios involving neighboring countries: (1) mismanagement of borders, leading to border incursions by the forces of a neighboring country; (2) BRA threats against PNG's diplomatic mission in the Solomon Islands and other missions abroad; and (3) cross-border raids or arms smuggling by small armed groups—most likely BRA rebels operating in maritime border areas.

Continued illegal activities in border areas could pose serious internal and external security threats to PNG. The potential that such threat scenarios may arise has led to government reviews of contingency plans aimed at developing relevant security force capabilities to effectively counter such scenarios. But PNG's primary efforts have involved political and diplomatic efforts to strengthen its ties with its neighboring countries, particularly Indonesia and the Solomon Islands.

PNG shares a long land border with the Republic of Indonesia. Because of its large, population, rapidly growing economy and modernizing military forces, Indonesia is likely to become PNG's most powerful neighbor. The two countries have enjoyed cordial bilateral relations since the signing of the Treaty of Mutual Respect, Friendship and Cooperation in 1986, but only in May 1994 did they hold their first security meeting. This resulted in the establishment of a Joint Subcommittee on Security (JSCS) under the preexisting Joint Border Committee (JBC) that manages the common border. The meeting was an encouraging sign of maturity in the relationship, especially since the subcommittee is instituting a forum through which the two countries' military forces can exchange views and share information. The JSCS has also established an official border management process that involves both the Papua New Guinea Defence Force (PNGDF) and the Armed Forces of the Republic of Indonesia (ABRI). This development indicates both countries' desire for better management of the border zones and their mutual concern over the OPM rebels.

Historically, PNG had enjoyed excellent relations with its eastern neighbor, the Solomon Islands. Apart from minor customary disagreements between citizens of the two countries over traditional fishing grounds, border matters and security issues traditionally were given relatively low priority by both countries since there were no major issues between them. The emergence of the Bougainville crisis in the late 1980s, however, threatened this relationship. To avoid misunderstandings, the PNG government sought to promote a dialogue with its neighbor by employing special Melanesian gestures of friendship. The Solomon Islands, in turn, has been responsive in various regional discussions and conferences that have examined possible long-term solutions to the Bougainville crisis. Bilateral talks have addressed management of the border areas, paying particular attention to possible illegal crossings by PNG citizens, illegal gun smuggling by BRA members, and resulting infringements of the border by PNGDF troops in pursuit of the BRA. In addition to their efforts to address these problems, PNG and the Solomon Islands are cooperating to establish a maritime surveillance arrangement for the management of their maritime boundary.

The relatively high level of transparency in PNG's relationships with its neighbors should provide ample warning for the need to institute conflict resolution measures should a serious problem arise. Over the long-run, the ability of the PNG government to maintain stability and provide economic development along its border areas is a key to continued strong relations with its neighbors.

DEFENSE POLICIES AND ISSUES

Defense Objectives. The PNG government's 1988 Defense Policy Paper states that the country's defense forces should have the capability to deter, repel, and counter low-level threat situations. This approach heavily emphasizes continuous monitoring and patrolling of the border areas so as to detect any incursion. It also argues for the development and maintenance of a highly mobile conventional "core" force for both the defense of the country and involvement in nation-building activities. As a result, the government's overriding defense priority has been to reorganize its forces in order to develop and maintain an effective core force that will provide for the "total security" of PNG and its borders. Such a force must necessarily have the capability to conduct effective ground and maritime surveillance, assist in national emergencies, and help the police in the maintenance of law and order if required.

To implement these objectives, the government adopted the Defense Force Ten Year Development Plan (TYDP) in 1991. The TYDP provides the framework for establishing needed defense capabilities between 1990 and 2000 and transferring technology to the country in order that it may achieve greater self-reliance by 2000. In approving the TYDP, the Cabinet directed that the plan be implemented within the context of overall national economic development efforts, in accordance with the Papua New Guinea Defense Force's (PNGDF) priority requirements, and in consultation with the Department of Finance.

Currently, the PNG Department of Defence is working on a new defense white paper to shape the PNGDF for the year 2000 and beyond. As they look at future needs and priorities, PNG policymakers are asking such questions as whether internal security differs from "total security" and whether law and order should be recognized as a military security problem, thereby diverting military resources to address criminal activities.

Defense Relations with Australia. Since PNG achieved independence in 1975, Australia has been its main source of development assistance and support on national security matters, and is thus a critical element in PNG's defense considerations. The most significant external security cooperation arrangement in which PNG is involved is its Defence Cooperation Program (DCP) arrangement with Australia. The 1987 Joint Declaration of Principles (JDP) between Australia and PNG provided a framework for relations between the two countries. The JDP established guiding principles for relations: maintaining and improving historically close ties, advancing common interests, and building upon existing bilateral arrangement in the spirit of independent neighborly cooperation. The JDP also provides for wide-ranging, high-level discussions and

exchanges, including consultations about matters affecting common security interests, including any external attack against either country.

In the past, Australia's assistance has tended to be focused towards external threats. The DCP has proven helpful in reexamining PNG's broader internal security concerns. It has also provide a venue in which the PNG government has raised concerns that Australian assistance to the PNGDF is too often managed by Australian officials in a rigid and paternalistic manner.

It is estimated that 58 percent of the funds made available under the DCP return to Australia in the form of costs associated with loaned personnel. Another 25 percent is taken up by projects, while the remainder goes into training of PNGDF personnel. PNG believes that in-country training of larger numbers of personnel at domestic bases would be more cost-effective.

While recognizing the continuing importance of its relations with Australia, the PNG government desires to diversify developmental assistance, including security support. For example, other countries in the region have had similar internal security problems, and could provide venues for specialized training of PNG forces. PNG has an interest in developing its own defense capabilities, based on its own assessment of internal and external threats. Diversification of sources of assistance has been, and will continue to be, a major focus of PNG efforts to strengthen its national security.

Other Issues. The combined land, sea, and air PNGDF manpower ceiling is currently set at 5,200 troops. Recruitment of personnel is sought from the country's four regions—Papuan (Southern), Momase, New Guinea Islands and Highland provinces—in order to reflect the socio-cultural diversity of the country. The Royal Papua New Guinea Constabulary (RPNGC) has a manpower strength of about 5,100, with an approved ceiling of 6,000. The RPNGC maintains a paramilitary capability for riot control and is able to be rapidly deployed in the event that law and order problems escalate, as they did in the case of the Bougainville crisis. In such situations, the RPNGC would work in conjunction with national defense forces. The government has developed a plan to merge the police paramilitary capability with the PGNDF to respond more effectively to insurgencies in the future.

The Bougainville crisis demonstrated deficiencies in training, equipment, support, and coordination needed to deal with open rebellion. Joint operational procedures to deal with counter-insurgency operations and joint training between relevant security forces are being considered. A common logistical support and administrative system is also needed.

In sum, PNG's foreign policy emphasizes development and expansion of its economic, political, and defense relations with its neighbors. It has sought to achieve its objectives through both bilateral arrangements and involvement with regional institutions. These efforts have thus far proven to be beneficial to its security concerns.

THE PHILIPPINES

THE SECURITY ENVIRONMENT

At the present time, the security outlook of the Philippines is unclear. Internal security problems continue to belie government claims of increased political stability. At the same time, there are evident possibilities for peace as talks proceed between the government and the communist insurgents and Muslim separatist groups. The uncertainty is reinforced by external factors, particularly Chinese encroachments in the Spratlys in late 1994 and early 1995. Manila's lack of a credible military option with which to deter such affronts to its territorial claims enhanced perceptions of the Philippines' insecurity and vulnerability. Given the fluid situation that now characterizes the security environment of the Asia Pacific region, the Philippine government can only continue with its present diplomatic policies while accelerating the development of its military capabilities. But the prospects of the latter lie only in the longer term.

Internal Security. The communist insurgency and Muslim separatist movement in Mindanao have been the principal security preoccupation of the Philippine government for the last three decades. Since 1986, however, the communist movement has suffered from political and military setbacks from which it has been unable to recover. The membership of the Communist Party of the Philippines (CPP), the number of regulars in the New People's Army (NPA), and their firearms holdings have dramatically declined. Moreover, party supporters have been disillusioned by a severe factional split in the CPP leadership.

Chart I. Trends in CPP-NPA Strength

Source of basic data: Armed Forces of the Philippines

Meanwhile, the Moro National Liberation Front (MNLF), which spearheaded the Muslim separatist war causing an estimated 50,000 deaths in the past 20 years, has now split into three groups. The Armed Forces of the Philippines (AFP) estimates that the MNLF still has the largest following, with the breakaway Moro Islamic Liberation Front (MILF) having only half the number of its regular force. Independent sources, however, believe that the Philippine military either underestimates or understates the strength of the latter with many asserting that it is actually greater than the MNLF. Even the Philippine government, however, discounts the significance of numbers as it now considers the MILF to be the principal threat to peace in the island of Mindanao. Its forces are spread out and operate over a larger area, and in recent years have been receiving regular arms shipments from Islamic fundamentalist states.

Chart II. Official Estimated Trends in MNLF and MILF Strength

Source of basic data: Armed Forces of the Philippines

However, an even more potentially dangerous outgrowth of Muslim secessionism is emergence of the Abu Sayyaf. Since 1992 this group has engaged in terrorist activities primarily involving the kidnapping and killing of Christians, and the bombing of Christian places of worship in Western Mindanao. Their actions reached a high point with a raid on the commercial center of the town of Ipil in the Zamboanga peninsula in April 1995. The attack resulted in 53 deaths and the destruction of a large part of the town. By early 1996, the Abu Sayyaf was estimated to have between 700–750 regulars, a small number of whom are alleged to be veterans of the war in Afghanistan. It is believed, however, that it also draws from the forces of other Muslim rebel groups at need. Ramzi Ahmed Yousef, extradited from Pakistan to the United States to face charges of

complicity in the World Trade Center bombing, was believed to have been helped by the Abu Sayyaf to move in and out of the Philippines. This possible tie-in of Abu Sayyaf with international terrorism adds a completely different and highly dangerous dimension to the internal struggle for peace and stability in the Philippines.

The Philippine government has tried to put an end to the long conflict by seeking a political solution through peace negotiations with both the Communist Party and the MNLF. Both talks are currently bogged down, though neither the CPP-NPA nor the MNLF is in any position to successfully challenge government forces because of their respective internal problems. Since the start of 1996, however, government forces have been engaged in a series of encounters with the MILF. At the same time, it is widely feared that the inability of the AFP to completely neutralize the Abu Sayyaf could lead to the reemergence of Christian vigilante groups and a return to sectarian violence in Mindanao. Overall, the increasing strength of the MILF, its non-inclusion in the peace talks, and the terrorist campaign of the Abu Sayyaf do not bode well for the prospects of achieving lasting peace, particularly in Mindanao.

External Security. While the domestic security situation has continued to remain fluid, a major shift has taken place in the Philippine outlook on and reaction to the external environment. China's emergence as a major economic and military power in the region is now seen to be very significant. The public revelation on 8 February 1995 of the presence of Chinese-occupied structures on Panganiban Reef, less than 200 kilometers from the coast of Palawan Island, shook the complacency of the Philippines about its international environment. Since then, reports of skirmishes between Philippine Navy patrol vessels and foreign ships (in most cases identified as Chinese) engaged in smuggling and piracy just outside of Subic Bay and Manila Bay, and along the coasts of the province of Zambales, have increasingly been made public. A Philippine Navy briefing early in 1996 indicated that at least nine such incidents have taken place in the area since August 1994. However, the Subic Bay Metropolitan Authority has reported that 10 incidents had taken place in its environs in the second half of 1995 alone. These are just the latest in a series of events that since 1992 have prompted gradual adjustments in the country's security outlook. The withdrawal of United States forces from Subic Bay and Clark Air Force Base, the drawing down of the communist insurgency and the split within the ranks of the communist movement itself, together with moderate increases in economic performance (since 1993) have been instrumental in shaping recent policies and perceptions about the state of the republic's national security.

The Chinese occupation of Panganiban Reef demonstrated the inadequacy of military options available to the Philippines to respond to international crises, a point underlined by the Philippines' effort to counter only with boatloads of journalists. In fact, well prior to this incident, the Armed Forces of the Philippines (AFP) had warned repeatedly that it lacks the ability to sustain a conflict in the South China Sea should it become necessary to use force to support Philippine claims to the Kalayaan Group of Islands. Moreover, the withdrawal of the United States Navy and Air Force from the Philippines in December 1992 deprived the AFP of its most important assets for long-range patrol and surveillance operations, as well as removing the country's strongest military deterrent.

Thus, self-evident truths about the inadequacy of the Armed Forces of the Philippines (AFP) and its limited ability to respond to military contingencies were affirmed at the expense of a long-held belief that the country did not face any major external threat. Chinese military action prompted a change in perceptions and policy. The Philippine Congress passed the AFP Modernization Act a few weeks after the discovery of Chinese structures on Panganiban Reef.

DEFENSE POLICIES AND ISSUES

Defense Objectives. The importance of military modernization was first publicly broached in 1989 when it appeared that the United States would reduce its presence in the Philippines when the Military Bases Agreement expired in 1991. However, it was not until after the actual complete withdrawal of the U.S. Navy from Subic Bay in 1992 that serious discussions took place. When the Modernization Act was finally passed in its final form on 20 February 1995, it included five components:

1. Force restructuring and organizational development;
2. Capability, material and technology development;
3. Bases/support systems development;
4. Human resources development; and
5. Doctrines development.

Changing the AFP from an internal security-oriented force to an external security-oriented force is a key point in the AFP Modernization Program. It emphasizes the development of sufficient strategic capabilities to support a "Defense-In-Depth" policy. That means extending the AFP's capability to protect the country's Exclusive Economic Zone (EEZ) and to provide a "credible deterrent" against outside threats to its territorial claims. The country's overall national

defense policy, however, continues to be based on the concept of "Total Defense" involving the mobilization of citizens in the event of conflict.

The AFP Modernization Act mandates studies that would lead to the development and formalization of defense doctrines. Historically, such doctrines have been an under-appreciated aspect of Philippine defense policy. Preoccupation with counter-insurgency field operations tended to focus the efforts of the AFP towards the development of tactical and operational concepts and procedures rather than strategic doctrines. Few resources were available for doctrinal development. Moreover, it was easy to adapt foreign, principally American, doctrines. This has now begun to change.

In August 1992, the National Security Council (NSC) officially defined national security as:

a state or condition wherein the people's way of life and institutions, their territorial integrity and sovereignty, as well as their welfare and well-being are protected and enhanced.

This people-oriented security perspective is largely based on the work of a multisectoral group of concerned citizens who came together after the 1986 EDSA Revolution in an attempt to stimulate public discussion on, and to draw the attention of policy planners to, the need for a national security strategy. The significance of both the NSC definition and the work of the multisectoral group lies principally in identifying national unity and public consensus as the foremost national interest underlying security. All other interests become subordinate to this primordial need to maintain solidarity as the basis for national survival.

This theme has become central to Philippine thinking about security. In his inaugural address, President Fidel Ramos declared that Filipinos have always found unity difficult, but the Philippines cannot remain divided. Within this context the NSC adopted a framework of national security that contained seven elements revolving around the goal of national unity and applied to broad areas of concern. Organized in descending order of importance, these are:

- Moral/spiritual consensus
- Cultural cohesiveness
- Economic solidarity
- Socio-political stability

- Ecological integrity
- Territorial integrity
- External peace

Though the security policy described in the NSC framework does not identify tangible sources of threats, the clear emphasis is on internal unity as the basis for countering threats, whether from within or abroad.

Defense Spending. The AFP Modernization Act provides P50 billion for the first five years of a projected 15 year program. This is less than 20 percent of the total cost estimated at P330.055 billion by the AFP. This outlay was estimated over and above its annual budget for the duration of the program. Due to sourcing problems, however, the proposed total amount will have to be disbursed over a period of 22 years broken down as follows (in billion pesos):

Years	1 to 5	6 to 10	11 to 15	16 to 22
Amount	50	111.14	124.93	43.985

Source of basic data: Armed Forces of the Philippines

These totals represent, on the average, an increment of nearly double the annual budget of the military for the next twenty-two years. Even with the increases denoted in the AFP Modernization Program, however, defense spending will continue to be relatively modest in both absolute terms and as a share of GNP. At present, the annual allocation of the AFP remains at around 2.3 percent of the country's GNP. It is unlikely that this will increase to above 4 percent, especially with current uptrends in economic growth.

Personnel. A key feature of the Modernization Program is the downsizing of the AFP. The AFP has an allowed establishment of 126,686, though it currently has only around 112,000 uniformed personnel. In accordance with the plan, troop strength will be reduced to 95,000 over the next ten years. The Philippine Army will be the most affected by this planned restructuring, though any decrease in the strength of the ground forces will be phased with the decline of threats to internal stability. It will also be dependent on the capability of the Philippine National Police to increasingly handle counter-insurgency operations as this task is gradually transferred to them. Projected reductions are as follows:

Branch of Service	AFP Strength, 1995	AFP Strength, 2005	Total Reductions
GHQ and AFPWSSUs	12,356	7,000	5,356
Army	70,293	47,458	22,835
Air Force	18,223	16,006	2,217
Navy	25,814	24,536	1,278
Total	126,686	95,000	31,686

Source of basic data: Frank G. Longid, Jr., "Shopping Time for the Military," *Politik* (August 1995): 48-49

Equipment and Procurement. The greater part of the amount proposed by the AFP for its Modernization Program is intended to be spent for the acquisition of new equipment. With the increasing recognition of a less than benign international environment, the military has to be able to project naval and air capability over those areas where the Philippines has interests that need to be protected or asserted. In this context, the AFP's capabilities are arguably the weakest among the larger ASEAN countries.

At the time of confrontation with China over Panganiban Reef, the Philippines reportedly sent a significant part of its air defense capability to Palawan—five of its remaining fighter planes, only two of which were considered really airworthy. The Philippine Air Force has only seven F5A and B fighters for air defense and the airframes of most of these are suspected to be suffering from metal fatigue. The Philippine Navy is in no better shape, with its major naval combat ships having an average age of 40 years.

The military is focusing its equipment and capability development on the procurement of new ships and aircraft. Already the Navy has prepared a "generic" list which includes three frigates, six corvettes, six patrol boats, 12 fast patrol crafts, four mine counter-measure ships, six logistic vessels, and 16 amphibious vehicles. The frigates, corvettes, and the patrol boats are to be fitted with surface-to-surface missiles. These will be the first missile-capable vessels in the Philippine Navy. The Philippine Air Force is asking for 36 multi-role fighters and 24 attack aircraft. Six air defense radars will also be installed, optimistically within five years of the program's final approval.

While the United States continues to be the preferred source of equipment and technology for the AFP, the Philippines is seeking to lessen its dependence on U.S. equipment and diversify its sources of defense technology and hardware. Italy has

already supplied the Philippines with the S-211 basic jet trainers and SF-260 turbo-prop trainers, and its arms manufacturers have been lobbying the AFP very aggressively. France and South Korea have already signed memoranda of agreement with the Philippines for the provision of defense technology, and similar discussions are currently being pursued with Great Britain.

Within a month following the passage of the AFP Modernization Act, reports indicated that the AFP had not yet determined what kind of equipment would have priority because it was still updating its defense strategy. Given the elapsed time since planning started six years ago, this revelation raised a number of questions regarding the planning processes utilized by the AFP. Clearly, even if procurement planning is accelerated, it will be years before the Modernization Program will have enhanced the AFP's external defense capabilities.

Alliance with the United States. The inadequacy of the external defense capability of the Philippines emphasized the benefits of its security arrangement with the United States. Despite the expiration of the Military Bases Agreement in December 1992, the Philippines maintains a special military relationship with the United States through the 1951 Mutual Defense Treaty (MDT). Many Filipinos believe that under the MDT the United States should support the Philippines in the event of conflict in the South China Sea. Most security policymakers and analysts, however, regard it unlikely that the United States will become involved in a conflict over the disputed Spratlys unless the dispute threatens its own vital interest in the free use of sealanes in the area. Even then, it would not necessarily support Manila's claims.

Nationalists in the Philippines continue to criticize the government's security linkage with the United States, arguing that both governments are still seeking ways by which to restore the American presence in the Philippines. Nonetheless, maintaining, and even enhancing, security links with the United States is believed to carry certain advantages, especially in connection with training and the acquisition of modern equipment for the AFP. Annual joint exercises continue to be held, although the two parties have yet to accept the provisions of a proposed Status of Forces Agreement. Furthermore, an Acquisitions and Cross-Servicing Agreement is currently being discussed by technical committees on both sides.

The significance, however, of the United States to the stability of the regional order remains unambiguous from the perspective of the Philippines. This was shown by President Ramos' statement in October 1995 that "the United States must continue to be the main prop of the East Asian balance of power." The renewal of the U.S.-Japan Joint Declaration of April 1996 and the sending of two carrier battle groups to the Taiwan Straits during the height of tensions between China and

Taiwan in March 1996 were quietly welcomed as affirmations of U.S. commitments to the security of the region.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

Because of its own internal security problems, weak military capabilities, and limited resources, the main contributions the Philippines can make to regional and global security come principally in the form of maintaining cohesion at home and contributing diplomatically to the discourse on international security issues. The stabilization of Philippine political life during the Ramos Administration, the dampening of internal insurgencies, and the long-overdue strengthening of its economy have removed the Philippines from the list of significant Southeast Asian security concerns.

Diplomatically, the Philippine government has sought to ensure a benevolent international environment. It has thus supported ASEAN's Manila Declaration on the South China Sea and the establishment of the ASEAN Regional Forum. It has supported the creation of a nuclear free zone in Southeast Asia and voted for the indefinite extension of the Nuclear Non-Proliferation Treaty. It believed its diplomatic efforts were vindicated when China sought to accommodate the ASEAN countries on the Spratlys at the ASEAN Regional Forum meeting in August 1995. The Philippines also initiated the concept of Southeast Asia-10 (SEA-10), thus bringing Cambodia, Laos, and Myanmar into the mainstream of Southeast Asian international relations. SEA-10 is part of the groundwork towards the establishment of a unified Southeast Asia—perhaps a federation of Southeast Asian states—in ten year's time. According to Director General Jose T. Almonte of the National Security Council, "only unification gives [Southeast Asians] a fighting chance to resist external pressures and play a role in influencing the development of our region."

The Philippines has also begun to diversify its security relations. It entered into Memoranda of Agreement with Singapore—regarding the conduct of joint training and exercises—and with Malaysia—on military training and cooperation, information exchange, and equipment and technology cooperation. These MOAs at one level serve to enhance levels of security cooperation between the Philippines and its ASEAN neighbors. At another, they serve as another confidence-building measure intended to deepen ties and further the process of community building among Southeast Asian states. While it is accepted, however, that these mechanisms contribute to regional understanding, they should not be construed as alliance relationships.

UN Peacekeeping and The Philippines. It is only recently that the Philippines has once again become active in UN peacekeeping efforts. Political, and

economic reasons combined to prevent the Philippine government from committing the country's resources to international peacekeeping activities. Even at present, there is still a lack of a clear policy on Philippine participation in UN peacekeeping, leading to a generally ad hoc system of decision-making. The clear policy, however, to support the maintenance of a stable and peaceful external environment conducive to economic growth and development has opened the way for the decision to participate more.

Philippine Participation in UN and UN-Sanctioned Operations

Operation/Location	Contingent	Other Contributions
Philippine Expeditionary Force to Korea (PEFTOK) 1950-53	10th, 20th, 19th, 14th and 2nd Battalion Combat Teams	17 Sherman tanks 1 tank destroyer
UN Operations in the Congo (ONUC) 1963 (four months)	Philippine Air Force Contingent (PAFCON also known as the Limbas Squadron)	Medical-dental team, maintenance crew, messng unit, ground security force
UN Guards Contingent in Iraq (UNGCI) September 1991-June 1992	50 AFP (4 officers and 46 enlisted personnel from the Army, Navy and Air Force)	
UN Transitional Authority in Cambodia (UNTAC) March 1992-1993	371 Police personnel in seven batches (113 officers and 259 non-officers) 43 Naval observers and 84 Marines in five batches 13 Military observers Two Marine platoons, five Navy officers and 10 enlisted personnel	Eight International polling station officers—civilians from NAMFREL and COMELEC P4,199,000 in financial assistance (1994)
UN Operation in Mozambique (ONUMOZ) December 1992	One Observer from the UNTAC contingent	Election observers
UN Mission in Haiti (UNMIH) 1994	50 Police personnel to UN sanctioned multinational force (MNF) later turned over to the UNMIH	

Source: Department of Foreign Affairs, Foreign Service Institute, and Armed Forces of the Philippines

The Department of Foreign Affairs, nonetheless, recognizes that there are still several issues that need to be addressed before Philippine participation in UN peacekeeping can proceed on a more regular basis. These issues include:

- The need for a stricter screening process for peacekeeping personnel.
- Since the Philippines as a policy refuses to send combat personnel for peacekeeping operations, the lack of likely candidates from the police force for participation in peacekeeping operations.
- The need to improve training of personnel in accordance with UN rule of engagement and standard operating procedures.
- The question of how to facilitate payment of troops and reimbursement of Philippine government's expenses.
- The problem of sub-standard equipment, and clarification of criteria for withdrawal of Philippine contingents.

RUSSIA

THE SECURITY ENVIRONMENT

The Russian Federation occupies three-quarters of the area of the former USSR and is heir to a Russian state reaching back, albeit under different names, into the 14th century. Thus the collapse of the USSR has not changed Russian statehood despite causing dramatic changes in the political regime, economic system, and ideological status. Russia's historic pattern of continuous expansion has been reversed. The western borders have retreated to approximately the line of the early 17th century and the southern borders to that of the late 18th century. Only in the Far East has there been no territorial change from the days of the Soviet empire. In addition to its diminished area and population, Russia's international status also has been much reduced. Today, it is no longer a global power with worldwide interests and wide-spread influence. It does, however, remain a potentially major player in three large and important regions: Europe, the Near and Middle East, and East Asia and the Pacific. The Russian Federation is also the dominant power in the 12-member Commonwealth of Independent States (CIS) composed of all ex-USSR republics except the Baltic States.

Internal Crises. Internal challenges rather than external threats are of greatest current concern to Moscow as the process of painful economic and social transformation continues to unfold in a highly political environment. The political challenges facing the Russian government are accentuated by President Boris Yeltsin's health uncertainties and the failure to establish a convincing economic recovery. There have been encouraging signs of economic recovery during 1995–96, but opponents to the current government continue to play up the overall decline in living standards over the past five years. Since the end of the Soviet period, per capita income has fallen about 40 percent, industrial production has plummeted, and the government's inability to collect taxes has created perpetual financial uncertainty. Worse still is the failure to invest in future technologies; in 1994, Russia spent only 1 percent of GDP on R&D—one fourth the 1990 level. As economic conditions have become harsher, the ideals of liberal democracy and internationalism which prevailed in the early 1990s increasingly have been called into question. The public is preoccupied with daily survival, and Russian political leaders are becoming more traditional and even nationalistic in their outlook, as illustrated in the December 1995 parliamentary elections in which the communist and nationalist parties attracted the greatest percentage of votes. Although Boris Yeltsin won his reelection bid in

mid-1996, it came after an initial stiff challenge from the communist opposition. Increasingly, Russia's foreign policy reflects a general public consensus that Russia has given away too much and must make greater efforts to defend its national interests.

The threat of further internal territorial disintegration has greatly diminished, but not entirely disappeared. Most regions seek a better deal with Moscow. The republics of the Northern Caucasus are too dependent on federal subsidies and too weak internally to seriously contemplate following Chechnya's lead in seeking succession. In Chechnya, violence subsided with the August 23, 1996 compromise fashioned by former defense chief Alexander Lebed, but the controversial agreement leaves many questions open. As part of this compromise, Russia is withdrawing its troops from Chechnya and consideration of Chechnya's political status has been postponed for five years. Nationalists criticize the agreement as rewarding terrorism and separatism, but it satisfies the strong public desire for peace.

The deteriorating situation of its Far Eastern provinces may prove to be one of the gravest threats to Russian security over the longer term. This far-flung region's links to European Russia have grown weaker, the collapse of the once military-oriented regional economy is virtually complete, and—most troubling of all—depopulation of the region continues. In this situation, the demographic pressure which Russians feel from across the border in China is extremely worrisome.

External Challenges. For the first time in decades, if not centuries, Russia does not feel directly threatened militarily from the outside. On the other hand, the end of the Cold War and break-up of the Soviet Union has resulted in long-term political instability along the southern perimeter of the Russian Federation. In an "arc of instability" from Moldova to Tajikistan, most of the new post-Soviet states are weak, and some may not survive. Ethnic, clan, regional and religious controversies have sparked numerous conflicts. This situation in the "Near Abroad" is contemporary Russia's greatest external security concern, as such conflict could spill over into the Federation by affecting the 25 million Russians living in this area or influencing minorities in Russia. The Chechnyan war, for example, was a consequence of seven years of armed violence, wars of secession, and the general criminalization in the Transcaucasus.

Of the Near Abroad, the Ukraine and Kazakhstan by size and location have particular strategic significance. Thus a close relationship with these two countries is perceived to be a vital priority for Moscow. Russians worried about Ukraine relations with the West, particularly any ties with NATO. But relations

between the two nations have improved, with Russia carefully showing constraint in Ukraine's troubled Crimea and with the division of the Black Sea fleet nearly completed. Kazakhstan has gained special importance due to the perceived threat of Islamic extremism. Russian strategists fear a possible wave of Islamic-based instability arising from Afghanistan and spreading successively from Tajikistan and Turkic Middle Asia to Kazakhstan and finally to the Volga, where some of the Federation's Moslem republics are located. Beyond this arc, Russian analysts generally see the following as the most immediate external challenges to military security: (1) the prospect of NATO's enlargement; (2) competition with the West, Turkey, China and others for political influence in and access to the economic resources of the CIS, especially Caspian Sea oil; (3) perceived attempts of the West to reduce Russia's role in the Balkans; (4) imbalance in conventional armaments in Europe; and (5) the prospect of the United States developing and deploying a ballistic missile defense system that would devalue the Russian nuclear deterrent. Other issues include a possible collapse of the U.S. -Soviet arms control regime and the prospects of nuclear proliferation and conflict in South or Northeast Asia. Of all these security concerns, the proposed NATO enlargement has the greatest potential of sending Russia into a more inward-looking direction and putting Russia's relations with the West on a collision course. The failure to meaningfully involve Russia in the post-Cold War peace settlement would create a sense of isolation within the Russian ruling elite and probably lead to Russia's self-isolation and estrangement.

After toying with the notions of integration into Europe or a turning toward the Asia Pacific, Russian leaders are increasingly inclined to regard their country as an independent center of power in a multipolar world. Relations with the other centers are seen as containing elements of competition and cooperation. Since Russia's interests are not identical with any other actor, a policy of equidistance, not isolation, appears wise. The United States is seen as bent on dominating the other power centers. Moscow has rejected the notion of being a junior partner to Washington, symbolized by the replacement in January 1996 of Andrei Kozyrev by Evgeni Primakov as foreign minister. Even if there are no fundamental conflicts of interest between Washington and Moscow, economic and political rivalries over secondary issues could spoil the relationship. Russia hopes to strengthen its relations with other power centers, including Germany in Europe and China, Japan, and India in Asia.

Russia in Asia. China's rise to world power status presents Russia with problems, challenges, and opportunities. Present relations are stable and very good. The border problem is virtually solved, and official Russian analysts be-

lieve that for the foreseeable future China will be preoccupied with its eastern and southern flanks, leaving quiet the north and west, the areas of greatest concern to Russia. China's relative weakness compared to the United States, in the eyes of Russian analysts, also inclines it toward stable relations with Russia. There may be a danger, however, in China's trying to drag Russia into its own confrontations with the United States or Japan.

Russia's basic China strategy is to expand economic links, especially in border areas, but not so much as to put into question the future economic and political orientation of the Russian Far East. Russia's main security concerns are to preserve Russia's territorial integrity and prevent formation of a Chinese diaspora in the Russian Far East. Through its weapons and technology sales, Russia also hopes to tie the Chinese to the Russian military complex, but it intends to maintain a comfortable technological lead over China.

Relations with Japan continue to be burdened by the territorial dispute over the southern Kurile islands. Some Russians suspect an American hand in this, believing that Washington prefers cool relations between Tokyo and Moscow. The Russians, who want to steer an independent course in a multipolar world, prefer to deal directly with the Japanese on security issues. How Russia manages to use the opportunities and face the challenges arising in the Far East has great implications for the Federation's geostrategic position and role in the coming decades. This task has several dimensions: first, whether Russia succeeds in integrating her own provinces east of Lake Baikal into a national economic and political system built on the principles of market economics and federalism; second, whether Russia can carve out a niche for itself in the highly competitive economic environment of East Asia, and, third, whether Russia can build permanent bonds of friendships with the large powers of this region, China and Japan.

DEFENSE POLICIES AND ISSUES

Defense Objectives. In November 1993 President Yeltsin signed the Main Guidelines of the Military Doctrine of the Russian Federation. This transitional document was based on three main principles: (1) Russia does not consider any state to be its adversary; (2) Russia will use force only in self-defense; and (3) nuclear forces remain a deterrent. The doctrine subsequently has been criticized for its generalities and its failure to provide answers to emerging domestic security problems, such as Chechnya. Subsequent defense policy guidelines were issued by President Yeltsin in August 1995. These set forth the following priorities: (1) preserving nuclear deterrence as the main guarantee of military security and giving priority to developing the nuclear triad; (2) further downsizing the

military establishment; (3) streamlining the force structure; (4) centralizing procurement; and (5) improving command and control. The decree called for a five year transition period to build a new military, referred to as "The Army 2005." Because of lack of funding, however, a thorough military reform has not been attempted.

Defense Spending. For many domestic critics, the key defense problem is Russia's grossly insufficient defense budget. The 1996 Federal budget allocated Rbl 80 trillion, compared to the Ministry of Defense's Rbl 134 trillion request. This amounted to about 3.5 percent of gross domestic product, a figure the defense establishment would like to see increased to the 5.2 to 6 percent range. The Chechnyan war greatly exacerbated the already tight budget situation, absorbing ten percent of the 1995 defense budget. The inadequate budget has a devastating impact on weaponry, training, manpower, and, perhaps most importantly, morale, as a result of continuing pay arrears and severe housing shortages.

Personnel. The deployment, organization, and composition of the Russian military forces have gone through wrenching changes in recent years. From 1988-94, Russia withdrew over 750,000 troops and 45,000 pieces of equipment from Central and Eastern Europe, the Baltic States, and Mongolia. Restructuring of the Armed Forces was also undertaken, although not in a very consistent way. Under the Soviet Union, nearly all military and para-military formations were officially part of the Armed Forces. Since then, Interior Troops, Border Troops, Federal Agency of Government Communication and Information, Chief Directorate of Protection, and troops of the Ministry for Emergency Situations have gained independence. As a result, coordination between the Armed Forces and these other units has weakened.

Russia's defense plans call for the creation of a relatively small but highly capable military force. Downsizing continues to be the main trend in personnel policy. The authorized strength of the regular Armed Forces has dropped from 2.822 million in 1992 to 1.7 million in 1996. Despite these reductions, the Armed Forces remain top heavy, with the number of ordinary soldiers grossly inadequate and the conscription pool dwindling due to a fall in reproduction rates since the mid-1960s. The high command argues that downsizing itself is very costly, and should be stopped. At the same time, the size of the other armed services, aside from the regular Armed Forces, has been increasing rather than decreasing.

Attempts by the Defense Ministry to recruit more contract soldiers in the Armed Forces and raise the level of professionalism has thus far produced disap-

pointing results. During the war in Chechnya, the Ministry had to gather forces from Vladivostok to Kaliningrad, as well as from the Navy and the Strategic Rocket Force. Those hastily constructed units suffered heavy casualties. To remedy the manpower shortage, in April 1995 the law on conscription was amended to increase the number of conscripts by one-fourth, but a growing draft-dodging problem has undermined this effort. In May 1996 President Yeltsin tried another tack in signing a decree abolishing conscription by the year 2000. Although the notion of a professional force has long been popular, there is great skepticism about the ability to achieve this goal within the prescribed time-frame.

Equipment and Procurement. The modernization of equipment has become more urgent as weapons become obsolete and few are being replaced. Russia's political leadership continues to give priority to the Strategic Nuclear Forces, Russia's main deterrent. Qualitative improvement of the nuclear arsenal is being seriously pursued. The SS-25, the first post-Soviet ICBM, was flight tested in December 1994. However, this is the exception to the rule. More generally, since 1991 the Russian military production has declined drastically, as state orders for production of weapons and military equipment were reduced by over 90 percent. Some fear that Russia will be unable to produce advanced weapons and military equipment within two years, and that its weapons will become increasingly antiquated. Thus pressures to reverse the present trend seem likely to build. Given the severe budget constraints on internal consumption, exports are seen as a crucial means of maintaining defense production.

Arms Transfer Policies. In 1995, Russia sold \$3.5 billion worth of arms, the first increase in several years. The importance of exports for the Russian defense industry has grown immensely and there is a dedicated effort to further increase sales. Whereas in the Soviet period rarely more than 5 percent of total defense industry output was exported, now more than half is. China is the main purchaser of Russian hardware. As well as upgrading their land, air and sea forces through equipment purchases, the Chinese show great interest in Russian aircraft, space and missile technologies. In 1996 Russia sold China the technology for producing Su-27 fighters for the first time. Aside from China, other arms markets include India, Iran, and South Korea, and Russia is trying to gain access to growing markets in Southeast Asia and the Persian Gulf. Arms trading, especially with some countries such as Iran and potentially China, has emerged as one of the most serious concerns in Russian-American relations.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

The Near Abroad. Russia's principal contributions to regional and global security lie in its effort to stabilize the Near Abroad. The basis of these contributions lie in the 1992 Tashkent Treaty on Collective Security with Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. Although the agreement has largely remained a piece of paper because the treaty's Collective Security Council is not functioning, it has served to legitimize a stabilizing and largely unilateral Russian military presence in several troubled CIS states.

The most critical situation is in Tajikistan. Here Russia has continued its efforts to preserve the current government in Tajikistan while promoting negotiations with the opposition, but it has had little success on the diplomatic front. Russian peacekeeping missions are also present in Moldova and Abkhazia. Reflecting the increasingly active Russian diplomatic role in the region, Russia mediated an agreement between Georgia and the break-away province of South Ossetia, confirmed its role as the principal mediator in the Karabakh dispute between Azerbaijan and Armenia, and convened a meeting of all leaders of Transcaucasia and the North Caucasus in June 1996.

From early 1996 the CIS acquired a visibly enhanced importance to Moscow, but its approach to the other post-Soviet states is becoming more selective and differentiated. Categorically rejecting a move by the State Duma to annul the 1991 accord dismantling the USSR, in March 1996 the Russian government concluded a treaty on closer integration with three other CIS states: Belarus, Kazakhstan, and Kyrgystan. In the previous year, it had already formed a customs union with these three states and had reached a bilateral agreement to fuse Russian and Kazakh forces, sealing the strategic alliance between the two states. Its closest partner is Belarus, which has had great problems with nation- and state-building. An April 1996 treaty establishing a Russo-Belarusian community falls short of Belarus' outright incorporation into Russia, but this appears to be the one clear case of a natural and voluntary integration process within the CIS.

European Peacekeeping. Russia's participation in the Bosnia peace accords represents its continued desire to be an active contributor to peace in Europe. An airborne brigade was sent to Bosnia in early 1996 as part of a NATO-led force. This brigade is placed under the authority of an American general through his Russian deputy. At the military-to-military level, from Bosnia to SHAPE, Russo-American cooperation has been extremely successful. It remains, however, hostage to the more general political environment between the two countries, which is being poisoned by the determination of Western politicians to press forward with enlargement. Russia itself formally joined NATO's low

level Partnership for Peace Program in May 1995, but this is likely to be put on ice with NATO's admission of new members in central and eastern Europe.

The Asia-Pacific Region. In the early 1990s there was an abrupt reversal in Russia's security policy in the Far East, culminating in the complete withdrawal in 1993 of all Russian forces stationed in Mongolia. The capabilities of the Federation's Far Eastern and Transbaikal military districts today are far from what they were during the 1980s. Dozens of army camps and garrisons have been abandoned, and the degradation of Russian military power in the region continues. Concomitantly, Russia emphasizes diplomacy, not raw power, in its relations with countries of the region.

This approach has had some rewards. Russia is a security dialogue partner with other Asia-Pacific countries in the ASEAN Regional Forum and the "Track Two" Council for Security Cooperation in Asia Pacific. On the other hand, Russia has felt ignored in the negotiations to deal with the dangerous situation in the Korean peninsula, notably underscored by the April 1996 U.S.-South Korea proposal for four party peace talks including the two Koreas, China, and the United States. Following a 25 year Soviet tradition, Russia has tried to put forward its regional credentials by proposing the establishment of a collective security system in Asia, more or less modeled on Europe. As a first step, Moscow suggests that China, Japan, the United States, and the two Koreas join Russia in a North-East Asian Security Framework. But because any collective security arrangement is unlikely for a long time, the emphasis remains on bilateral relations.

Russia's rapprochement with China has also had significant dividends for regional stability. Since Gorbachev's visit to the PRC in 1989, a continuing Russian-Chinese dialogue has been conducted at various levels. Results include practical arrangements likely to further reduce tensions between the two countries. An agreement on prevention of military incidents was signed in 1994, and confidence building measures along the Sino-Russian border are being discussed with a view of creating a "stability zone" by the year 2000. Thus far, Gorbachev's promised reductions in forces deployed in the designated border zone have been opposed by the military because while China can easily afford to deploy its forces outside the 100-km limit, almost the whole of the Russian infrastructure is located within its 100-km zone. During an April 1996 visit by President Yeltsin to China, Russia, Kazakhstan, Kyrgystan and Tajikistan concluded an agreement finally settling the border issue and providing for confidence-building measures along the Chinese border.

Russia continues to support a measure of U.S. military presence in North-East Asia and the Western Pacific because such a presence can be stabilizing

both in terms of the triangular strategic relationship between Russia, the United States and China, and in terms of preventing the renationalization of Japan's security policy. On the other hand, Russian-American differences and occasional conflicts elsewhere may reduce chances for their geopolitical collaboration in East Asia.

SINGAPORE

THE SECURITY ENVIRONMENT

Singaporeans generally anticipate a period of continued stability and prosperity. However, the regional security outlook is not an entirely rosy one. The end of the Cold War has created new challenges. North Korea's pursuit of a nuclear capability and the disputes over the Spratlys are serious sources of regional tension. Uncertainty also surrounds the longer term outlook.

Whether the present relative state of stability in the Asia Pacific region will endure depends primarily on how the United States, Japan and China behave towards each other. Stable cooperative relations among these countries offer the best hope for preserving regional peace and stability. There are, however, serious differences between the United States and China and Japan over trade and other economic issues, and between the United States and China over issues of human rights and democratization. It is not at all certain these disputes can be prevented from spilling over into the political and security relationships of the major powers.

Above all, regional stability will greatly depend on continued U.S. involvement in Asia and the Pacific. However, a new equilibrium has yet to emerge to replace the bipolar partition of the Cold War era and it is unknown what form that equilibrium will eventually take. The United States is still defining its role as the world's only superpower and its long term military presence in the region is uncertain. If the United States should decide to withdraw a significant portion of its forces, it could lead Japan, China, or even India to compete for greater influence in the region.

Internally, Singapore's security prospects are more positive. For many years, the city-state's internal security was threatened by communism and communalism. However, with the collapse of communism in Europe and China's renunciation of its policy of supporting communist insurgencies overseas, the threat posed by communism is now almost non-existent. As for communalism, the danger of racial strife has been largely overcome through successful efforts at maintaining social cohesion, harmony and tolerance. The Singaporean government continues to emphasize cohesion among its racially-mixed population and to maintain vigilance against extremist elements who, the government fears, may be tempted to exploit racial, linguistic and religious differences that exist between the ethnic communities.

The fact that Singapore has enjoyed three decades of peace and prosperity has given rise to new generations of Singaporeans—half of whom were born after 1963—who did not experience the tumultuous times of the 1960s and 1970s when the country was most fragile and vulnerable. With memories of those difficult times fading, there is concern that Singaporeans may take the prevailing state of stability for granted. Hence, the challenge faced by Singapore amidst the changing security environment is to instill in its people an understanding of the continued need for a credible defense.

DEFENSE POLICIES AND ISSUES

In the face of current regional uncertainties, Singapore's defense planners are primarily focusing on maintaining a strong defense capability to meet external threats. The city-state's leaders regard as axiomatic the idea that a strong defense capability is an essential element for stability and that each country must shoulder the responsibility for defending itself. It sees the regional uncertainties as constant reminders that security cannot be taken for granted.

Defense Doctrine. Since Singapore does not face any identifiable external threat, the government emphasizes defense self-reliance in order to prevent threats from arising. Hence, the country's substantial investment in defense is largely for the purposes of enhancing its deterrence capability and providing the stability needed for economic growth. In other words, while being prepared to deal with security contingencies, Singapore practices "Non-Threat Based Deterrence."

The linchpin of Singapore's national security is its "Total Security Defense Doctrine." It embraces three elements—total defense, internal stability and diplomacy. While Total Defense provides deterrence against military aggression, diplomacy underlines the city-state's commitment to good relations with friendly countries, especially its neighbors. Likewise, internal stability contributes towards security as it is predicated on the maintenance of social cohesion, harmony and tolerance.

Total Defense. The "Total Security Defense Doctrine" seeks to unite all sectors of society—the government, business community and citizenry—in the defense of the country. The premise of this national survival strategy is that modern warfare involves a total effort and that a total war is best fought through total defense. The Total Defense concept has five facets:

- Confidence in its defense and future. This facet seeks to develop the collective will of Singaporeans to stand up for their rights and to protect what is theirs.

- **Social Defense**—harmony, cohesion and tolerance among Singapore's different ethnic communities. This facet seeks to build national unity and is a safeguard against threats to national stability.
- **Economic Defense**—enables Singapore to tackle threats to the economy such as economic boycotts, trade sanctions or acts of sabotage. This facet requires government, business and industry to work together to overcome such threats.
- **Civil Defense**—maintains civilian morale in war by protecting civilian lives and minimizing damage to property. This facet helps to ensure that life goes on normally during a crisis thereby giving Singaporeans the confidence, capability and readiness to meet any emergency.
- **Military Defense**—the conventional military option which would be exercised should deterrence and diplomacy fail to defuse threats to Singapore's sovereignty and territorial integrity.

These five elements are based on the assumption that an aggressor can be expected to wage political, economic, social and psychological warfare to destabilize the country prior to mounting a military attack. Total Defense is thus intended to brace every Singaporean against all possible adversities.

Internal Stability. Second, the Singapore government's defense doctrine emphasizes internal stability. The premise of this leg of the country's defense doctrine is that by providing good government and sound policies, Singapore's leaders can achieve a unity of national purpose and goals between themselves and the people. This is considered helpful to a strong defense as it reinforces the deterrent capability. Without social cohesion, harmony and tolerance, the other two primary elements of the doctrine—total defense and diplomacy—will not be effective.

Diplomacy. A deterrence strategy alone is considered insufficient for a small state like Singapore. Hence its additional reliance on diplomacy. By having as many friends as possible, Singapore lessens the chances that it will have to act alone in the event of a serious crisis. Singapore therefore seeks to promote good bilateral relations with its neighbors by building on areas of common interest. A key element of the government's approach to security is thus to increase interaction and cooperation in all areas—economic, cultural and defense.

Defense Spending. The conventional way in which a country determines its defense budget is to base it on an assessment of the threats facing that country. Unlike most other countries, however, Singapore uses an unconventional

method to determine its defense budget—it fixes its defense spending at 6 percent of the country's gross domestic product. Singapore's defense budget is therefore directly correlated to its economic performance. In fact, however, Singapore's defense spending has been below this figure, standing at 4.5 percent in 1995.

Personnel. The Singapore Armed Forces (SAF) comprises the Army, the Republic of Singapore Air Force and the Republic of Singapore Navy. The SAF's standing force of 50,000 soldiers comprises Regulars and Full-Time National Servicemen. The main force is 250,000 Operationally Ready National Servicemen (NSmen) which is 80 percent of the total SAF strength.

Equipment and Procurement. Singapore's defense procurement decisions are shaped by the smallness of the population, its lack of strategic depth, and the Singapore Armed Forces (SAF) need to fulfill its mission efficiently. There is a continuous effort to keep abreast of the latest technology through the acquisition of modern, state-of-the-art combat systems. The SAF recognizes that defense technology is a crucial factor in the security of a small country like Singapore. What it lacks in numbers, it more than makes up for by exploiting defense technology to yield a force multiplier. This approach provides more firepower per soldier and is the reason why the SAF invests heavily in defense technology. The SAF also goes beyond buying the best available equipment and systems by exploiting the limits of the performance of its defense systems and by adapting its military equipment to local conditions.

In its effort to build a well-balanced force, the SAF constantly seeks to develop new capabilities. An example of this is the Republic of Singapore Navy's development of a mine counter-measure warfare capability for which it recently acquired four Mine Counter-Measure Vessels for the purpose of keeping the Singapore Straits and its approaches safe for shipping. The Air Force has similarly upgraded its capabilities with the acquisition of the F-16 fighter aircraft. The SAF also recently acquired the Mistral System—a surface-to-air missile system providing low-level air defense for the purpose of protecting vital installations within Singapore.

The SAF has also adopted a policy of sustainability, through which it seeks to minimize dependence on external sources for critical national requirements. It also maintains a stockpile of these resources in peacetime. Developing local research and production capabilities is a related initiative. In Singapore the twin pillars of defense technology are the Defence Technology Group, which provides cost-effective technological solutions to support the SAF, and the Singapore Technologies group of companies, which provide an in-country

defense industrial capability. Both were developed to meet the operational needs of the SAF in times of emergency. Yet another way in which Singapore seeks to enhance sustainability is to use available civil resources to support military operations. These include buses, lorries, cargo ships, aircraft, warehouses, machinery and the manpower to operate them. Since 1985, the SAF has thus had a system in place for the requisition of civil resources for use during an emergency.

This does not necessarily mean the newest and most sophisticated equipment must always be acquired. Older equipment can and has often been given a new lease of life through the government's upgrade programs. Examples of such programs are the upgrading of the AMX-13 tanks, the M113 Armored Personnel Carrier, the A-4 Skyhawks and the Missile Gunboats, which will extend the operating life of this equipment into the 21st century. Presently, the Air Force's fleet of F-5 Tigers is being upgraded.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

Joint Training Exercises. Consistent with the element of diplomacy in its "Total Defense Doctrine," Singapore believes that regional resilience will be enhanced by increasing the channels of communication and interaction between the SAF and the armed forces of other countries. For this reason, the SAF conducts regular joint training exercises with friendly nations, especially the ASEAN countries—Brunei, Indonesia, Malaysia, the Philippines and Thailand. In addition, Singapore maintains good defense relations with extra-regional countries, such as Australia, Bangladesh, France, Germany, India, Japan, the Netherlands, New Zealand, Pakistan, Sweden, Turkey, United Kingdom, and the United States.

Regional Security Arrangements. The Singaporean government regards regional security and stability as best achieved by having an interlocking network of bilateral and multilateral defense ties, thereby forming a firm foundation for the development of regional dialogues and multilateral initiatives. This "spider web" pattern of regional security arrangements preferred by Singapore is based upon a step-by-step approach previously adopted by the ASEAN nations. Under this arrangement, two countries bilaterally discuss areas likely to result in mutual benefit should cooperation be achieved. In taking up such issues, there is tacit but clear initial understanding that sensitive matters will not be entered into. Over time, as a more positive atmosphere builds through the conclusion of agreements and the mutual benefits derived from them, the negativism arising from sensitive issues lessens. In time, private discussions become more frank,

the sensitive issues begin to be aired, and possible ways to resolve them start to surface. Although each discussion is bilateral, a web involving all ASEAN nations is spun through overlapping bilaterals to help maintain stability in the region as a whole. This, in turn, helps regional economic development to accelerate. Such developments then further cement regional stability. Singapore believes that it is possible to apply ASEAN's "spider web" concept of defense cooperation to the broader Asia Pacific region.

Above all, however, Singapore attributes regional stability to the presence of the United States which it considers to be a friendly and benign power. For this reason, Singapore's security and defense policies are aimed at close relations with the United States and at facilitating its continued presence in the region.

In the current changing and uncertain security environment the Singapore government also continues to consider the Five Power Defence Arrangements (FPDA) as an important factor for stability in the region. Formed in 1971, the FPDA commits member countries—Australia, Britain, Malaysia, New Zealand and Singapore—to consult each other in the event of external aggression against Singapore or Malaysia. Under this arrangement an aggressor would have to face a combined FPDA response. The FPDA therefore serves as an important political and psychological deterrent. Over the years, Singapore, as well as other members of the FPDA, have greatly benefited from participation in FPDA military exercises.

Singapore is also an active supporter of new regional security arrangements, such as the ASEAN Regional Forum (ARF), but believes that these should be developed as a complement to existing organizations and at a pace comfortable to all members. They are not substitutes for existing arrangements such as ASEAN and the FPDA.

UN Peacekeeping and Humanitarian Missions. Singapore government regards the United Nations (UN) as an important instrument in the preservation of international law and order. Being a small state, Singapore sees its survival and progress being enhanced in a world order that embraces the principle of upholding cooperation and consultation over confrontation and conflict. Hence, it supports the UN Charter and established international law by taking part in operations such as UN-led peacekeeping missions. The government subscribes to the philosophy that responsible governments should participate in international operations to help the less fortunate countries facing crises. Singapore made its first contribution to UN peacekeeping missions in October 1989, when a team of election supervisors was sent to Namibia. Since then, Singapore has also sent peacekeepers to Kuwait, Angola, Cambodia and South

Africa. In addition, humanitarian missions have been dispatched to the Philippines and Indonesia to provide relief from natural disasters. Singapore's policy is to continue to support these international operations within the limits of its resources.

CONCLUSION

Because Singapore is a small state, Singaporeans continue to feel a sense of vulnerability amidst the regional uncertainties following the ending of the Cold War. While seeking to safeguard security through a non-threat based deterrence policy and a comprehensive total defense strategy, the Singaporean leadership actively pursues and fosters diplomacy with other countries in order to develop friendly relations whenever possible. Toward this end, the SAF is committed to the pursuit of good defense relations, especially with other ASEAN countries.

THAILAND

THE SECURITY ENVIRONMENT

There has been a significant shift in how the Thai perceive their security environment. During the Cold War, the Thai elites regarded their country as truly a "front line" state, facing subversion from within and potentially aggression from the outside. Today, however, direct military threats to Thailand are regarded as relatively remote. Since the end of conflict in neighboring Cambodia, there is little fear of external aggression, although troubling border issues remain along the country's long land borders. There is also little current threat from communist or minority insurgencies. However, there is increased concern about Thailand's maritime claims and resources, and weak institutionalization of the current democratic political system remain a source of domestic fragility. Thailand also faces challenging social issues associated with rapid but unequal development. If not dealt with effectively, these could affect Thailand's political stability over the longer term.

The External Environment. Traditionally, Thailand's security concerns focused on its long land border. Occupying a large, central plain in continental Southeast Asia, Thailand's geographic location made it vulnerable to aggression from its western and eastern frontiers. During the Ayudhaya period (1349–1767), the capital was twice sacked by Burmese armies, but there has been no serious threat of aggression from the western frontier for many decades. However, fears of land-based aggression on the eastern border remained active and resurfaced during the Cold War when conflicts in Vietnam and much of the rest of Indochina were considered to be potentially threatening. Those fears were heightened when Vietnam invaded Cambodia in 1978 and subsequently clashed with Thai troops along the border. Because Bangkok is located only 300 km from Cambodia, the Thai elites were very sensitive to events taking place there. The ending of the Cambodian conflict in recent years has reduced concerns over the security of the eastern frontier.

The increased attention to maritime claims and sea lines of communication reflects both the decline of land-based concerns and the Thai economy's increased dependence on international trade. Ninety-five percent of this trade transits South and Southeast Asian sea lanes. Industrialization also has increased Thailand's dependency on energy and raw material resources from abroad, especially the Middle East. The defense modernization program, accordingly, is significantly enhancing naval capabilities.

Border Security. Despite the reduced concern about outright aggression, land border issues still are a high profile security concern for Thai authorities. The government's 1994 Defence White Paper specifically states that "it is certain that Thailand will face problems in the future concerning unclear borders." These borders stretch some 5000 kilometers, abutting Myanmar, Laos, Cambodia, and Malaysia. Portions of the borders have never been properly demarcated. Thailand has had border disputes with all of its neighboring countries in recent years. Its dispute with Laos, for example, includes an area containing five villages and a small island in the middle of the Mekong River. Thai security forces have clashed with Laotian troops several times in those areas during the late 1980s. Thailand also contests areas in three eastern provinces with Laos, five northern and central provinces with Myanmar, and four areas in the south with Malaysia. The boundary of its maritime exclusive economic zone (EEZ) is disputed with Cambodia.

Boundary problems between Thailand and its neighbors have been exacerbated by incidents involving illegal entry, smuggling, trade in weapons, drug trafficking and prostitution. Most of these activities are concentrated along the eastern, northeastern and western borders with Myanmar, Laos, and Cambodia. The illegal entry problems arise mainly along the western border where in recent years an estimated 60,000 people have fled into Thailand to escape fighting inside Myanmar between the central government and Karen separatists. This created distrust between Myanmar and Thailand, and the mishandling of the refugees by some Thai officers also damaged Thailand's human rights record. Drug trafficking by groups operating in the border areas complicate Thailand's relations with Myanmar and other countries. On the eastern border, the Khmer Rouge still control a number of areas along the Thai-Cambodian border, and fighting between Cambodian troops and the Khmer Rouge occur periodically. The close past ties of Bangkok governments with the Khmer Rouge plagued relations with authorities in Phnom Penh. In the five provinces in the Malaysian border area, misunderstandings between the ethnic Malay Islamic and the ethnic Thai Buddhist populations are more of a governance challenge.

Internal Security. From the 1960s to the 1980s, threats posed to Thailand's internal security by communist insurgency, northeast regionalism, southern separatist movements and problems with the northern hill tribes were considered very serious. The Thai military could credibly claim victory over the communist insurgency by the early 1980s, and regional and ethnic unrest withered away to the point that they are of little contemporary concern. Today, issues of

political authority and social stability are regarded as the greater internal threats to the Thai political order.

A contest for political authority continues between military and civilian segments of society. Since 1932, the military has usually dominated Thai politics, but periodically has been challenged by competing groups, including the student-led uprising of 1973 and mass urban demonstrations in 1992. In the early 1980s, the military's position was strengthened by the stable rule of General Prem Tinsulanond who, with the support of the Monarch, was able to lead the country under a parliamentary system for eight consecutive years (1980-88). However, the removal of the internal communist threat and reduced external security concerns weakened the argument that military control was still essential to national security. Economic prosperity also affected Thai politics by increasing the size and influence of the urban middle class who generally supported a more democratic political system. In 1988, Chatichai Choonhavan became the first elected prime minister in twelve years. But in February 1991, seizing on charges of corruption against the Chatichai government, the military reasserted power, abrogating the constitution and dissolving the National Assembly. Public outrage led to pro-democracy demonstrations in May 1992 after army strongman, General Suchinda Kraprayoon, sought to establish himself as prime minister. It took a direct appeal from the King to end the confrontation, after which Suchinda retired from politics.

These events demonstrated the degree to which Thai society has changed. In this new, more relaxed external and internal security environment, most Thai no longer regard the military's political role as needed or relevant. Subsequently, constitutional amendments were passed to strengthen civilian rule, and the Internal Peace Keeping Command Act, which gave excessive power to the military, was repealed. For the first time, the civilian government has even become involved in military appointments. Although present civilian leaders appear to have gained the upper hand, competition continues among civilian political leaders, the military, the government bureaucracy, business and industry. Many institutions of civil society remain weak, especially the political parties. No Thai elected civilian government has yet fulfilled its full term in office. The lack of clear political authority thus remains a threat to the future of the Thai state.

Political competition could be heightened by underlying social tensions associated with the growth process. Here the primary concern is the growing inequality in the distribution of income and resources. Forty percent of the Thai population account for approximately eighty percent of total income. This gap exists in large part because the majority of the population still works in the more

slowly growing agricultural sector. It seems likely that economic disparities in Thailand will continue to increase. The government's primary response to this emerging problem has been to launch a series of new development programs based on policies articulated in Thailand's National Economic and Social Development Plans.

DEFENSE POLICIES AND ISSUES

A number of changes are occurring in Thai security policies in response to the improved security environment of the 1990s. The main trends include the increased willingness of government authorities to articulate security goals and policies, the effort to reorganize policy-making to streamline decision-making and institutionalize civilian control, the restructuring of the military into a more compact but better trained and equipped force, and a reduced emphasis on alliances. Professionalization of the military is a central policy objective.

Defense Objectives. In the past, changes in security emphasis—from internal subversion in the 1970s to the Vietnamese threat in the 1980s—occurred without formal policy statements. For the first time, Thailand articulated a broad set of security objectives and approaches in its first defense white paper entitled, *The Defence of Thailand 1994*. The document asserts that the country's national interests are: (1) maintenance of the State with independence, sovereignty and territorial integrity; (2) the happiness and well-being of the people; (3) the growth and advancement of the nation as a whole, both in economic and social terms and the existence of an administrative system that benefits the people; and (4) honor and prestige in the international community.

The white paper stresses the importance of internal conditions. Like many other developing countries, many of Thailand's internal security threats stem from what has been called the "weak state" syndrome. The government's solution is to pursue a multidimensional approach that addresses not only military security threats, but also related domains including political security, economic security, socio-psychological security, and scientific and technological security. This broad articulation of national security exists mostly as an abstraction, however.

After the decline of the military in Thai politics in the 1990s, no single institution is capable of developing and overseeing an integrated security policy. Nevertheless, the civilian government is now attempting to institutionalize a new comprehensive approach to security through its National Preparedness Plan (NPP), approved by the Anand government in February 1992. The NPP is one of three major policies the Thai state employs to attain its security goals. The other

two are the National Defense Policy (NDP) and the National Economic and Social Development Plan (NESDP).

The National Defense Policy aims to develop a more professional fighting force with conventional warfare capabilities, while maintaining sufficient capacity for potential domestic threats. The objectives are to: (1) restructure the armed forces so that it is more compact and has professional personnel with modern weapons and equipment; (2) improve the service and conscription systems; (3) revise the curricula of all military educational institutions to take into account the economic, social and political changes occurring in the country; (4) strengthen the role of the armed forces in economic development, including the protection of economic interests on land and sea; and (5) raise morale by improving welfare and providing more vocational training for lower ranking soldiers, improving their post-service job prospects.

Reorganization. Reorganization of the numerous security-related government agencies is a central component of the restructuring effort. The thrust is to place the overall security strategy in the hands of the political leadership while reducing the overlapping functions, thus bringing security organization more into line with current perceptions of threats and needs. Over the past sixty years, various security agencies were set up in addition to basic military combat units, specifically to coordinate and/or implement the military-dominated national security policies. These included the National Security Council (NSC), the Central Security Operation Command of the Supreme Commander's Office (CSC), the Accelerated Rural Development Agency (ARDA), the Internal Security Operation Command (ISOC), the Capital Security Command, and the Army's Directorate for Civil Affairs.

Under the new system, the National Security Council, a civilian agency, replaces the military as the central institution for integrating security-related activities and projects. This is a significant change from its past role of largely articulating national concerns in accordance with the military's policy and doctrine. Under the Office of the Prime Minister, the NSC advises the Cabinet on national security policies and oversees security-related programs, including those managed by the military. Its activities cover a wide range of areas including politics, military, economics, society, science and technology, and energy and environment. To ensure security-related development activities comply with overall economic plans, the NSC is required to work closely with the National Economic and Social Development Board under an umbrella organization called the National Coordinating Center for Preparedness. The NSC also has been given oversight over all the budget allocations submitted and coordinated through the NESDB, including the budgets

for military development programs. In addition, the NSC is required to seek support from, and coordinate efforts with, the private sector.

Defense Spending. Thailand's defense budget for 1996 is 100.6 million baht, an increase from 91.6 million baht in 1995. Since 1989, the defense budget has consistently accounted for approximately 2.5 percent of the country's GDP. That marks a significant decline from the early to mid-1980s when the ratio was around 4 percent. Then, the defense budget was the largest of the government's budgets. Today it is third largest and it has been so for the last three four years.

Personnel and Procurement. Thailand intends to reduce manpower levels from the current 256,000 troops, but increase the size of the reserves (now 200,000). The Thai Royal Army cut its forces by 15 percent between 1992-96 and plans another 10 percent cut during 1997-2001; at that point, the ratio of active forces to reserves will have been shifted from the current 75:25 to 60:40. Thailand has adopted a "total defense strategy" under which all available forces, professional military as well as local defense groups, will be used to make a single combined response against domestic or external threat.

Enhanced training and equipment is a key element of the restructuring effort. The NDP provides the foundation for the three armed forces to gradually shift their doctrine from small-scale warfare to a more conventional defense posture and to acquire the appropriate capabilities. In line with growing interest in maritime protection and strengthened conventional capabilities, weapons modernization and upgrading have a high priority in the 1990s. The increasing availability of economic resources and the commercialization of the arms market have helped speed these efforts. The military's equipment modernization program involves upgrading older weaponry and acquiring large quantities of sophisticated new equipment, including light and battle tanks, heavy artillery guns, advanced fighter jets, modern combat ships and electronic defense systems.

All three armed services consider modernization as vital to fulfilling their new missions. The Royal Thai Navy's (RTN) modernization program is the most ambitious, emphasizing increased capability to protect territorial waters, maritime natural resources, industrial energy sources, and sea lines of communications. The RTN is giving serious consideration to the acquisition of more modern surface warships and a small fleet of diesel-powered submarines. New frigates (Naresuan- and Knox-class vessels) are being commissioned in addition to four Chinese-built frigates (Chao Phraya class) and two British-built anti-submarine warfare corvettes (Kramronsin class). More capable missile and air defense systems (Sea sparrow ship-to-air missiles and LW-108 and STIR radar systems) also are being acquired. The most significant addition to the RTN's fighting capability

is the Chakkrinareubet light aircraft carrier to be commissioned in early 1997, with a small number of older version sea Harrier jets and anti-sub helicopters. This essentially will change the RTN from a coastal navy into a maritime navy with significant strike capability.

The stated aim of the Royal Thai Army (RTA) is to be "compact in size, light, and have destructive power," so as to respond quickly to contingencies, particularly in the border areas. RTA weapons procurements include main battle and light tanks (M-48A5 and M-60A3) and self-propelled guns (M-109). The RTA also is improving its battlefield surveillance and night operations equipment. The Royal Thai Air Force (RTAF) emphasizes increasing the number of modern fighter aircraft in its inventory. It plans to acquire additional advanced jet fighters (F-16) with higher intercept capabilities and has already signed a contract with the United States to procure some F-18/A fighter jets. Acquisition of airborne early warning systems (E-2 Hawkeyes) is planned as well. The RTAF also is in the process of upgrading its air defense systems and electronic surveillance.

Alliances. In modern history, alliances or alignments were an important element in Thai security policy. Thailand intends to continue its alliance relationship with the United States. However, in the post-Cold War period and with the Cambodian conflict ended, Thailand no longer feels that its security is as dependent upon links with either the United States or China. The 1995 decision to reject a U.S. request to station supply ships and equipment in the Gulf of Thailand reflects this shift. The bilateral security relationship with the United States is taking a new shape, with Thailand becoming an increasingly assertive partner.

Bilateral security relations with China also are entering a new phase, with Chinese support becoming more open. In 1996, Thailand, for the time, accepted a small amount of military aid from China. Sino-Thai relations are being reinforced by the investments of Thai multinational firms in China and by personal relations among some in the Thai and Chinese elites.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

Perhaps the most significant Thai contributions to international security have been the recent visible and serious efforts to strengthen relations with neighboring countries, thus promoting economic development and stability in troubled mainland Southeast Asia. In the case of Cambodia, Thai authorities cut ties with the Khmer Rouge, participated actively in promoting reconciliation among the Cambodian factions, supported the UN-sponsored election, and moved quickly to recognize the newly-elected government of Cambodia. The Thai government also has sought to improve relations with Laos. The Thai-Laos

friendship bridge across the Mekong was opened in 1995, with the Thai monarch presiding in a ceremony in Laos. This was his first visit to a foreign country in over thirty years. In the case of Myanmar, Thailand is a principal supporter of the ASEAN policy of "constructive engagement." Because of the long boundary between the two countries and the complexity of their relations, Thai officials believe that it is essential to work with the Myanmar government to build a peaceful atmosphere. They hope this will provide a foundation for regional stability and security. Finally, in recent years and as noted earlier, Sino-Thai relations have continued to grow deeper, particularly in the economic sphere.

The Thai government has taken independent positions on issues that it regards as important to regional and global order. These have included its criticism of U.S. missile attacks on Baghdad and its rejection of prepositioning U.S. ships in Thai waters.

Thailand also has been actively increasing participation in multilateral diplomacy. In 1993 it became a member of the Non-Aligned Movement (NAM). The government believes that the NAM will be an important forum in the post-Cold War world. Thailand's support for multilateralism is reflected in its hosting of important meetings, including the first ASEAN Regional Forum (ARF) in 1994, the Fifth ASEAN Summit in 1995, and the first Asia-Europe Meeting (ASEM) in 1996. Thai officials have a keen interest in the ARF, which was created and is being developed by Thailand and the other ASEAN countries.

In general, the Thai government believes that economic issues are becoming more important in international affairs and that stronger collective dialogue and action is needed in the post-Cold War world. In short, regional and global security can be enhanced by economic means and political action at both the bilateral and multilateral levels.

THE UNITED STATES

THE SECURITY ENVIRONMENT

The end of the Cold War has had a tremendous impact on American perceptions of their international environment and their defense policies. The democratic revolutions in Eastern Europe in 1989, the decisive victory over Iraqi forces in Kuwait in 1991 and the collapse that same year of the Soviet Union all bolstered the perception at both elite and public levels that there is no credible, system-wide military threat to the territory of the United States or vital U.S. interests in the near future.

Russia and China, by virtue of their sizes, military potential, and uncertain political futures are still regarded as potential long-term strategic military threats to the United States, but these concerns are distant and largely confined to a small foreign policy elite. For the time being, both these powers are regarded as military or foreign policy concerns principally when they do not share or accommodate U.S. views on issues of importance to the United States, such as the sale of technologies in regions where the U.S. has security concerns.

Even without a significant, geographically-defined strategic threat, there is a general public perception that the international environment continues to be fraught with dangers, and the United States needs to maintain a strong military force. The foremost military threats are medium or small "rogue" states, like Iraq, Iran, and North Korea which cannot challenge the United States directly, but within their own regions can threaten U.S. allies and interests. Accordingly, official military planning is based not around containment of a strategic threat but around maintaining the capabilities to simultaneously cope with two major regional conflicts of the Persian Gulf sort. While this notion as a planning concept is not significantly challenged in American public debate, there has been a narrowing definition of the kinds of regional security threats that would engage U.S. vital interests and thus could precipitate direct military intervention.

In the absence of strategic threats, the attention of Americans has increasingly turned toward non-military threats. Polling suggests that public threat perceptions are more focused on challenges to the American "way of life" than on the physical security of U.S. territory or even resource access. Most of the new "threats" have no clearly defined geographical source. International drug flows often top the list of international concerns for the general public. Other such threats to way of life include economic uncertainty associated with

increased economic interdependence, augmented flows of migrants, the spread of new viruses, and the decline of traditional values. These issues, however, generally are seen by Americans as important economic, social, and health policies concerns and not as issues of national security.

Because of the perceived U.S. global leadership role, some in the American foreign policy elite also regard the potential for inappropriate-policy responses by the United States itself as a source of threat. The main concerns expressed in more sophisticated domestic U.S. debate are: (1) a reemergence of isolationism in the American body politic, preventing effective U.S. responses to global issues, (2) a tendency within the foreign policy elite itself and the media to cast issues in short-term, partisan, or single-issue terms rather than focus on longer-term national interests, (3) a fear of an inappropriate intervention leading to longer-term entanglement and another "Vietnam syndrome," (4) a decline in strong and consistent presidential leadership or an increase in irresponsible congressional legislation (on international issues), and (5) a more general failure of American society to manage domestic socio-economic issues contributing to a loss of international moral authority.

The Asia Pacific Region. Among those within and outside the government who follow Asian security issues closely there is a mainstream consensus around the basic security challenges facing the region. These are described in the February 1995 Defense Department report, "United States Security Strategy for the East Asia Pacific Region" (Nye Report) as the following: a military threat on the Korean peninsula, uncertain political transitions, the spread of weapons of mass destruction, emerging nationalism amid unresolved territorial issues, and Asia's "long-standing antagonisms." The United States appears to be quite comfortable with the present security configuration in the region. Key elements of this configuration are that the United States is the only power capable of projecting military forces regionwide, its forward military presence is widely accepted and welcomed, and the prospects for serious calls on U.S. commitments appear quite limited. Threats to the status quo in any of these three dimensions would be of concern for U.S. regional security planners.

Within the generally favorable environment, China and North Korea stand out as the two major concerns. China is generally not regarded as a near-term security threat in the sense that its actions seem likely to directly threaten U.S. territory, military personnel, or vital interests. But China's acquisition of status and power may eventually undermine the U.S. regional security position in quite a different way from Japan's rise as an economic power. It is seen as perhaps the only world power with a combination of actual and potential assets—

population, physical size and resources, rapidly expanding economy, and increased technological sophistication—to be able to emerge as a comprehensive superpower alongside the United States in the 21st century.

The Nye report addressed U.S. concerns regarding China's military posture, including the growth of Chinese defense expenditures, the expansion of naval capabilities, nuclear testing, and the lack of clarity about long-term Chinese military goals. As earlier mentioned, China is regarded as a military or foreign policy concern principally where it does not share or accommodate U.S. views on issues of importance to the United States, such as sales of technologies to countries where the United States has security concerns.

China's military demonstrations in the Taiwan Straits in 1995 and 1996 gave added emphasis to these concerns. In February 1996, U.S. authorities believed that it was essential to underscore the long-standing U.S. commitment to a peaceful settlement of the Taiwan issue by sending two aircraft battle groups to the vicinity of the island. This action generally was regarded in the United States as a needed and successful exercise of U.S. military power.

For the immediate future, the post-Deng leadership transition in China is regarded as critical for future global order and for U.S. longer-term relations with this power. Public dialogue has focused on two possible scenarios: (1) intensified nationalism associated with domestic political rivalries, complicating external relations and perhaps resulting in more muscular and aggressive Chinese foreign policy behavior; (2) a weakening or even breakdown of central authority, with serious internal political, economic, and social ramifications. Under either scenario, there is concern about a serious impact on relations between the PRC, Taiwan, and Hong Kong that could affect important U.S. economic and political interests in the region.

Washington's emphasis on nuclear nonproliferation catapulted North Korea toward the top of a list of U.S. security concerns in the 1990s. The October 21, 1994 Agreed Framework and the negotiating process have been criticized both by those who felt the settlement had been handled too unilaterally by the United States as well as those that felt it rewarded a belligerent regime. The Agreement's supporters, however, argue that the ultimate result, if fully implemented, halts a relatively advanced nuclear weapons program and preserves the NPT regime. It also gives outside countries a source of leverage over North Korea that did not previously exist.

In fact, the nuclear proliferation concern has receded even while the North remains a source of security threats. Of greater concern in 1995–96 was the potential for a hard or crash "landing" for the northern regime as a result of

economic distress or internal political turmoil and a resulting crisis on the peninsula. Periodic militarily-provocative behavior, including incursions of the demilitarized zone in the spring of 1996 and the blatant submarine infiltration incident in September 1996, highlights the apparent fragility of status quo on the peninsula. There is also concern in Washington with inconsistent and seemingly emotional reactions in the South, increasing the difficulties of maintaining a stable, coordinated policy toward the North.

DEFENSE POLICIES AND ISSUES

Absent a credible, strategic military threat to the United States, there is no compelling philosophy or sense of direction that guides American foreign policy and national security strategy comparable to the Soviet (or "communist") threat during the Cold War. In place of "containment" the Bush Administration initially sought to develop military planning on the basis of a substantial regional as opposed to a global strategic threat, producing "base force" plans in 1991. The Clinton Administration has put forward a policy of "engagement and enlargement." This doctrine has three main objectives: (1) to maintain a stable international environment through credible American military effort; (2) to bolster U.S. economic competitiveness and wherewithal; and (3) to enlarge the world of compatible political and economic systems. The latter two economic and enlargement objectives are not well-defined in an operational sense, nor is there consensus with the Executive branch, let alone more broadly in the American system, on the relative priority of these objectives, how conflicts among them might be resolved, or how they should be achieved. While they obviously draw attention to the nonmilitary dimensions of national security, it is precisely in such nonmilitary instruments of influence such as diplomacy, foreign assistance, and international exchange that large cuts currently are being made in the U.S. foreign policy budgets. In the absence of a systemic challenge or threat to widely understood and accepted national security interests, the United States finds it virtually impossible to develop a clear set of national security priorities.

A consensus has developed, however, on the need to stabilize the U.S. military effort, which had gone into steep decline on virtually all measures of military effort with the end of the Cold War. U.S. military expenditures, procurement, and manpower levels were all dramatically affected by the end of the Cold War. Defense spending as a share of GNP dropped from 6.5 percent in 1985 at the height of the Reagan build-up to 4 percent by 1995 and is projected to drop to 3 percent by 1998 under the Clinton's Administration's projections. Former President Reagan's 600- ship navy has been long abandoned. The

current number stands at around 430 and is to be reduced to 346 under the Bottom-Up Review (BUR) developed by the Clinton Administration in 1993. The BUR calls for 11 carrier groups, with one additional carrier for training/reserve purposes. The same plan envisions reductions in the number of Air Force fighter wings from 22 in 1991 to 13. The number of active Army divisions are being reduced from 16 to 10. The total number of active U.S. military forces has dropped from 2.1 million in 1990 to the current 1.5 million and will continue to trend downward toward stabilizing at 1.45 million by 2001.

Table 3.

U.S. Active Duty Personnel in the Post-Cold War Era

Fiscal Year	End-Strength (000s)
1989	2,130
1990	2,069
1991	2,002
1992	1,808
1993	1,705
1994	1,611
1995	1,523
1996	1,482
1997	1,457*
2001	1,445

*Note: An additional 901,000 in 1997 are in-guard and reserve units.

There has been a dramatic drop in spending on military procurement in the post-Cold War era. With inflation factored in, spending for military procurement in FY96 is seventy percent below the FY85 peak. The Administration argues that reduced procurement, created by the large inventories generated in the 1980s and the declining force personnel numbers, cannot be sustained, and that procurement spending will need to increase again as obsolescence will require replacement and modernization. Procurement, of course, has a large political constituency. Critics argue that the declines have already damaged the overall effectiveness of U.S. forces and that too much emphasis has been placed on

readiness and morale (including a pay increase) at the expense of adequate equipment. They argue that increased spending is needed to maintain readiness and morale and achieve a level of modernization consistent with the effort required to respond to two regional conflicts as envisioned in the BUR. It also is contended that current levels are not only very low but endanger the maintenance of an adequate defense industry. The same concerns stimulate government and private industry support for weapons exports.

In a bow to the continued popularity of defense procurements, President Clinton in September 1996 signed an election year defense appropriations bill including congressionally favored procurements above the administration's request, including \$3.4 billion for four Aegis radar-equipped destroyers, \$2.2 billion for production models of an enhanced Navy FA-18 fighter and \$2.2 billion for the Air Force F-22 air superiority fighter. There will continue to be conflict over the acquisition of particular systems and their relevance in terms of overall strategic plans, reflecting economic and political considerations as much as strategic ones.

Another source of criticism comes from those who believe that the BUR and the force and procurement plans that follow represent an approach that focuses too much on the last war (i.e., the Gulf War) where high-technology weapons and conventional forces were highly effective. Precisely because of Iraq's defeat, these critics argue, regional powers are unlikely to challenge U.S. interests in so direct and conventional a manner. Moreover, the emergence of two such conflicts simultaneously is a highly unlikely scenario. These critics suggest the United States should give greater attention to preparation for unconventional forms of conflict. The BUR is scheduled to be repeated next year.

Aside from the BUR, other important changes have occurred in the U.S. security doctrine during the Clinton Administration. The 1994 Nuclear Posture Review, which examined strategic issues not covered in the BUR, rejected the deterrent posture of mutual assured destruction in favor of "mutual assured safety," but envisioned a robust nuclear "hedge," justified primarily by the possibility of a reversal in course in Russia if democratic reforms fail. The Administration also was concerned about the slow pace of dismantling Russian systems and the unauthorized leakage of Russia nuclear material. The basic concept of a nuclear triad involving air, sea, and land-based nuclear deterrent forces is maintained, as also is the need for a nuclear weapons industry. Under this cautious approach, the Administration believes that strategic commitments to allies can be maintained while insurance exists against any failure of the Start II agreement.

Nuclear non-proliferation has been reemphasized and increased attention given to defense systems intended to deal with regional powers that seek to or have acquired weapons of mass destruction (WMD). There has been a strong consensus around the heightened visibility the Clinton Administration has given to curbing WMD in such countries or regions as North Korea, Iran, and South Asia, although questions over the consistency and effectiveness of these efforts have arisen.

Theater missile defense systems have been emphasized as compared to systems focused on the defense of the continental United States from intercontinental or space-based missiles. The Strategic Defense Initiative ("Star Wars") was renamed the Ballistic Missile Defense Organization and modestly increased funding provided for anti-missile defense. The bulk will go toward systems to protect U.S. forces from "theater-range" missiles.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

The broad foreign policy objectives of the Clinton Administration are the maintenance of security, the sharing of economic benefits, and the promotion of democratic values. There is a continuing and even reinforced perception, underscored by the need for American diplomatic initiatives in Bosnia and the Middle East, that it is still only the United States that has the comprehensive instruments of policy needed to exercise global leadership. At the same time, a public mood of resentment with "unfair" burdens has been reflected in efforts by the United States to reduce its overseas expenditures and prod its allies into greater burdensharing.

In the Asia Pacific region, the United States continues to see itself as the linchpin of regional security and stability. In the early part of the Clinton Administration, more assertive and often poorly coordinated U.S. policies in many areas—curbing nuclear weapons in Korea, pressing for increased access in Asian markets for U.S. goods, and urging the U.S. human rights agenda—resulted in sharp foreign policy disputes with many of the region's countries. At the same time the increased level of presidential attention to the region, particularly evident in the meetings of the APEC economic leaders and in Mr. Clinton's trip to Japan and South Korea in April 1996, has helped offset some of the inconsistencies and tensions associated with these initiatives. The relatively warm reception given to the continuing U.S. security presence in the region reinforces a strong American belief that this presence is an essential contribution to regional and global security.

In the security field, four broad efforts at strengthening regional security have been notable during the Clinton years: (1) the formal shift from downsizing to stabilizing the U.S. military presence; (2) the enthusiastic embrace of multilateral security dialogues; (3) the development of bilateral contacts and dialogues ("engagement") with countries where U.S. relationships were weak or had deteriorated; and (4) a restructuring of the alliance with Japan.

The Forward Presence. The American foreign policy establishment regards forward presence as the premier U.S. contribution to regional stability. In an effort to strengthen confidence in this presence, the Clinton Administration signaled the end of an approach adopted in 1990 calling for a gradual phase down of American forces in Asia. Gradual reductions had taken place in U.S. forces in Korea in the early 1990s, but later phases of this process were terminated because of tensions associated with the North Korean nuclear program. A more substantial U.S. withdrawal took place in Southeast Asia because of the failure of the U.S. and Filipino governments to agree on an extension of U.S. bases in the Philippines. Gradual future reductions were envisioned depending upon the security situation in East and Southeast Asia.

In 1993, however, the BUR affirmed the need to keep U.S. armed forces deployed forward in Asia at current force levels of about 100,000 personnel. This approach was underlined by the February 1995 Nye Report which saw this U.S. force level as *critical to maintaining regional security, maintaining the growth of markets important to the United States, and expanding democratic values*. Unless the United States provided "the central, visible, stabilizing force" in the region, that report stated, some other nation might and in a way not compatible with U.S. interests. Arms races could also result. Summarizing future policy, the report stated that "reductions resulting from the end of the Cold War have been accomplished; no further changes in warfighting capability are currently planned; the United States will *maintain a force structure requiring approximately 100,000 personnel in Asia*. The United States will also pursue modernization initiatives to improve the capability, flexibility and lethality of all our forces, including those in the region, and ensure that our forces will be able to deploy more quickly in a crisis."

Some critics argue that the administration has given too much attention to the 100,000 number which may not be politically sustainable. There also are critics who believe the U.S. forward presence is destabilizing over the longer term and should be phased out, but these currently have little influence on U.S. policy or public debate. Such arguments, however, could become more salient again, especially if there is any resolution of the stand-off in the Korean peninsula.

Multilateral Security Dialogue. The enthusiastic U.S. embrace of a multilateral security dialogue, which crystallized in the form of the ASEAN Regional Forum in 1994, was the most dramatic change in the Clinton Administration's approach to Asia Pacific security issues as compared to its predecessor. There has been some concern among U.S. government circles, however, that some Asians have interpreted this change in U.S. approach as an effort to establish a basis for reducing U.S. security commitments in the region in the future. A major emphasis has been to reaffirm that U.S. support for multilateral dialogue is supplementary to and not a substitute for U.S. bilateral alliances in the region and the U.S. forward military presence.

The Administration hopes that the ARF dialogue will develop over time into a forum for enhancing preventive diplomacy, developing confidence-building measures, and enhancing "modest defense transparency measures," such as publication of white papers and limited exchanges of defense information. The Administration also supports the creation of a Northeast Asian subregional security dialogue for discussion of the special and complex security programs of that area and has set the groundwork by encouraging unofficial "track two" dialogue activity. Former Secretary of Defense William Perry had also called for multilateral ministerial level dialogue among defense ministers of the major Northeast Asian-North Pacific countries.

Bilateral Dialogues. A third effort has been the intensification of bilateral dialogue and engagement with countries with which U.S. relations have been troubled, such as China, North Korea, and Vietnam. In contrast to the first two innovations, the specific contents and sometimes even the dialogue process itself has become quite controversial. Developing a new strategic dialogue with China is the most important of these efforts. In the post-Cold War era, China has lost its importance to the United States as a strategic partner vis-à-vis the Soviet Union, but it has become an even more critical country in terms of its regional and global roles on a variety of issues. Through what the U.S. Administration calls "comprehensive engagement," the United States has sought to promote Sino-American cooperation on controversial issues including human rights, trade, and Chinese missile sales that had arisen in the relationship as well as encourage what Americans regard as its integration into regional and global systems. An effect of this has been to restore high-level dialogue between the two countries and military-to-military dialogues. In May 1996, former Secretary of State Warren Christopher called for regular ministerial meetings with China every six months in recognition of the strategic importance of the two countries to each other and their relationship to the world. The two countries' foreign

ministers met at the United Nations in September, and Christopher visited Beijing in November 1996 as bilateral dialogue intensified. National security advisers also exchanged visits during 1996. The American government also views its engagement with North Korea—intended to end the nuclear weapons program, encourage north-south dialogue, and promote North Korea's integration into the regional and global communities—as another contribution to stability.

U.S.-Japan Security Relationship. The mainstream security community in the United States regards the U.S.-Japan alliance as the linch-pin to U.S. security contributions to the region. Recognizing that the relationship was in some political difficulty, in 1994 the United States government initiated a review with an eye toward modernizing the relationship and placing it on a more equitable basis. In the midst of this review, the September 1995 rape by three American service personnel of an Okinawan schoolgirl triggered an upsurge of long-standing Okinawan resentment at the disproportionate burden this prefecture bears in hosting the U.S. forces in Japan. A common interest in maintaining the effectiveness of the security treaty facilitated an agreement in April 1996 on a package of force alignments including the return to Japan of the Futenma Air Base, two communications centers, a port, and other areas over the next five to seven years. At the same time, an acquisition and cross-servicing agreement was signed that allows the United States to purchase military spare parts from Japan in peacetime. The two countries also agreed to review their 1978 bilateral defense guidelines to improve response in the event of a regional military emergency.

The security agreements with Japan are a step toward potentially more significant military cooperation between the two governments, but it remains to be determined how Japan can cooperate militarily on a broader regional basis with the United States within its Constitutional framework. Adjustments and modernization of the security relations will continue. It should be anticipated that there will be continued pressures from the U.S. to increase Japanese burdensharing in more than financial terms and pressures from Okinawa to further reduce the size of U.S. operations in the prefecture.

Despite the March 1996 Taiwan Straits crisis, the United States government and people appear to be relatively sanguine about the security outlook in Asia and the Pacific. Ironically, the indefinite retention of U.S. forces in the region, with little domestic opposition, probably reflects U.S. optimism about the role that the mere presence of its military forces play and their ability to contribute effectively to the maintenance of stability in the region. Thus the United States believes that it is making a signal contribution to regional security at a relatively low risk.

VIETNAM

THE SECURITY ENVIRONMENT

As Southeast Asia's second most populous country, Vietnam can be regarded as a middle-sized power within this region. However, it is a small power in terms of the broader Asia Pacific region and is of negligible importance as a security actor on the world scene as a whole. Since the end of the Cold War, its strategic importance to the large powers has declined. Because of this, Vietnam has little capacity to shape the external aspects of its security environment. Rather, the challenge for Vietnam is to adapt to changes in its environment in ways that enhance its economy and bolster its security.

In the long years of struggle to regain independence and unification, Vietnam saw hostile outside forces as its main security challenge and military power as its principal instrument for dealing with this challenge. But recently a new definition of security challenges and policies has taken hold. In a fundamental shift in thinking, Vietnamese leaders have fully embraced the notion of "comprehensive security." The closing of the economic gap between Vietnam and other regional countries currently is perceived as Vietnam's biggest security challenge. Although average economic growth in the 1991–95 period averaged 8.2 percent annually, Vietnam remains one of the region's poorest countries in per capita income terms. Since other regional countries also are developing rapidly, Vietnam will remain relatively poor for many years to come.

Vietnam also faces fierce international competition as it liberalizes its economy and integrates itself into the region and the world. The acceleration of globalization processes, led by the telecommunication and information revolutions, impose enormous strains on society and can lead to social and political disorder. In this respect, excessive red tape, corruption and other "bureaucratic evils" constitute a major challenge for the government as they hamper the reform process and erode people's trust in and support for the regime.

Externally, land and sea territorial disputes present a continuing source of security concern, particularly in light of Vietnam's current economic and military weakness. The disputes over sovereignty of the Hoang Sa (Paracel) and Truong Sa (Spratlys) archipelago are complex and unlikely to be resolved in the near future. Actions by other countries could further complicate these disputes, delay resolution and endanger Vietnam's security and sovereignty as well as regional stability.

The firm conviction that protection of sovereignty is essential to national welfare and prosperity remains a legacy of the years of struggle for freedom and unification. The Vietnamese remain very sensitive to any form of foreign intervention by large countries in the internal affairs of Vietnam and will contest and reject outside attempts to dictate Vietnam's policies.

Vietnam faces a daunting set of security issues, including closing the economic gap. Nevertheless, there is growing confidence that Vietnam can meet these challenges based on the mobilization of total national strength, including military, diplomatic, and socio-economic efforts.

DEFENSE POLICIES AND ISSUES

Defense Objectives. In its efforts to regain independence and achieve unification in the face of opposition from much larger and stronger foreign powers, Vietnam essentially based its defense doctrine on the strength of all of the people and the combining of armed struggle with political struggle. In fact, Vietnam's war effort was a people's war, combining three types of forces—the professional army, the regional armies, and the militia and self-defense forces.

In peace time, Vietnam's defense objectives have shifted to firmly safeguarding national independence, security, sovereignty, territorial integrity, and the nation's social order. The new doctrine consists of several important elements:

- Simultaneous implementation of two strategic tasks: national economic construction and national defense.
- Close coordination of defense and foreign policies and an increased role for diplomacy in securing a peaceful environment.
- Consolidation of the all-people's national defense, that is, the strength of the entire system and all the people is to be enhanced and mobilized to safeguard national independence, sovereignty, territorial integrity, and internal stability.
- Increased emphasis on building well-trained, modern professional armed forces, while establishing an adequately trained reserve, military, and self-defense corps.
- Strengthened Communist Party leadership over the armed forces and national defense.

Defense Modernization and Personnel. Vietnam's weaponry is generally old and some of it obsolete by modern standards. During the Cold War, China

and the then Soviet Union were the main sources of military assistance for Vietnam, but now Vietnam must finance its own military modernization. With a gross national product of only about \$15 billion and the priority in government spending being given to the economy, Vietnam's modernization efforts must proceed gradually. By all accounts, Vietnam's current defense spending is lower than that of any other ASEAN member country.

To increase the effectiveness of its limited defense spending and improve professionalism, Vietnam has reduced the size of its standing armed forces in recent years by roughly fifty percent. Defense enterprises are being transferred to a new management system and will be evaluated in socio-economic as well as defense terms. The size and quality of reserves will be increased.

CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY

Given Vietnam's new defense doctrine and limited defense effort, Vietnam believes it is not a threat to neighboring countries nor a factor in the regional balance of power. The country contributes to regional and global security by providing for its own order and security and through its diplomatic efforts to strengthen its relations with neighboring countries. In the past five years, priority has been given to normalization and deepening of relations with its neighbors. Vietnam is also participating in the building of multilateral institutions. Notably, Vietnam acceded in 1992 to the 1976 ASEAN Treaty of Amity and Concord and in 1995 formally joined ASEAN. During the same period, Vietnam succeeded in normalizing and improving its relations with China and the United States.

Vietnam attaches great importance to building good neighborly relations with Laos and Cambodia. The special Vietnam-Laos relationship has not only been consolidated but developed to a new stage on the basis of equality, mutual respect, and common interest. Vietnam wants Cambodia to be a peaceful, neutral, and non-aligned country with friendly relations with all regional countries. Although there are outstanding bilateral problems, such as the border dispute and the status of Vietnamese residents in Cambodia, the two countries have agreed to settle such issues through peaceful negotiations. Vietnam strongly supports the entry of Cambodia and Laos into ASEAN in 1997.

Vietnam is committed to the peaceful settlement of international disputes. While repeatedly affirming its sovereignty over the Paracels and Spratlys, Vietnam has declared that it will pursue its claims through peaceful means. Vietnam has been participating in the Indonesian-sponsored informal meetings on the South China Sea and supported ASEAN's Manila Declaration of 1992

calling for a peaceful resolution of disputes. It has expressed its opposition to unilateral actions that have fostered tensions in this region.

The concept of confidence-building measures is still new to Vietnamese policymakers. Traditionally, as in most countries, defense matters were carefully guarded secrets. However, as a member of ASEAN and the ASEAN Regional Forum (ARF), Vietnam is deeply involved in regional security dialogues. It is considering how it can contribute to regional peace, stability, and prosperity through concrete measures that enhance mutual trust. Vietnam has begun exchanges of military delegations and dialogues with regional countries including China, Indonesia, the Philippines, and Thailand. It recently joined the non-governmental Council for Security Cooperation in Asia Pacific (CSCAP) and has been studying the question of publishing a defense white paper in the future.

PERSONNEL

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The East-West Center was established in 1960 to foster mutual understanding and cooperation among the governments and peoples of the Asia Pacific region. The Center serves as a national and regional resource for analysis and the exchange of information on the critical issues facing Asia and the Pacific.

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