Indonesia's national election on June 7 takes place against a background of political instability and social and ethnic violence that raises questions about the implications for the country's future as well as that of the Asia-Pacific region — and U.S. interests, cautions Richard Baker, an international relations specialist at the East-West Center.

Baker spoke on the significance of Indonesia's national election at several briefings this spring sponsored by the East-West Center. Statistics he listed hint at the challenges the election presents: Indonesia's population totals 200 million; 137 million voters will elect 462 members of the national legislature and 1,200 members to provincial offices. Forty-eight political parties are competing for these votes. And there will be some 250,000 polling places.

He noted that the three most popular parties, according to the limited polling data available, are not represented in Indonesia's current national assembly. The Indonesian Democratic Party — Struggle is headed by Megawati Sukarnoputri, daughter of the country's first president; the National Mandate Party is led by Amien Rais, formerly head of the second largest (modernist) Islamic organization in Indonesia; and the National Awakening Party, organized by Abdurrahman Wahid, leader of the largest, more traditionalist Indonesian Islamic movement.

With less support are Golkar, party of former President Suharto and current President B.J. Habibie; the United Development Party, a Suharto-era amalgamation of former Islamic parties; and the Moon and Star Party, based on reformist Islamic groups. A couple of other parties have a reasonable chance of winning more than a few seats.

“What does this mean for the outcome of the election? No party will emerge with the majority,” Baker predicted. “It also means that to govern in the Parliament and to gain a sufficient number of votes in the larger electoral college (which will elect the president in the fall) they are going to have to practice coalition politics.”

Leadership styles

Baker discussed two different types of leaders playing important roles in the presidential contest. There are the modern, foreign-educated leaders: President Habibie, who is a German-educated aeronautical engineer; Wahid, who was educated in the Middle East and is widely read in Western literature; and Rais, who received a Ph.D. in political science from the University of Chicago. “These are outspoken, proactive leaders you could meet on the stump anywhere in the United States and whom you would recognize as politicians,” Baker said.

The other type of leader was educated in Indonesia and has a more traditional style: Megawati Sukarnoputri; General Wiranto, head of the armed forces and defense minister; and the sultan of Yogyakarta. These individuals take more of a Javanese approach to power and politics, in which one does not actively seek the mandate, but rather allows the mandate to come to you (although careful positioning is also part of this approach).

Baker observed that Wiranto, the “classic Javanese military leader,” controls 7.5 percent of the vote in Parliament and, as a result, “holds some very powerful cards. The military is sitting at the fulcrum of power and I would suggest that is not unintentional on the part of the military.”

The figure who may be the most intriguing of all is the sultan of Yogyakarta, one of five candidates originally nominated by Golkar for the presidency. If it looks like no individual has the votes to be a clear-cut choice for president, the sultan could be a “fall-back candidate,” Baker said. “However, since he is not a politician, what that would mean is a largely ceremonial presidency, with the parties and their leaders contesting for power in the Parliament and Cabinet.”

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Jefferson Fellows: First-Hand Impressions of U.S. and China Reactions

The response in China to the bombing of the Chinese Embassy in Belgrade by NATO forces dominated the experiences of the Jefferson Fellows traveling in Asia and the United States in May. In a lively roundtable session at the East-West Center at the end of the May 3-23 program, the journalists discussed the dichotomy in the way Americans and Chinese viewed the bombing based on observations from their 10 days of travel.

The Jefferson Fellowship Program brings together 12 mid-level journalists — six from Asia and the Pacific; six from the United States — to participate in discussions with analysts and experts on Asia-Pacific issues at the Center. During this year's travel segment, the American fellows visited Tokyo and Beijing; the Asia/Pacific fellows journeyed to Milwaukee, Chicago, and Washington D.C.

The economic crisis and its social and political repercussions in Asia, as well as its effects on Africa and Latin America, were the focus of discussions at the East-West Center during the first week of the program. The bombing of the Chinese embassy and the student protests in China took place as the Fellows began their travel.

Several Asian journalists noted the overwhelming confidence in America and the wealth of the country as an overriding impression of their trip to the United States. And several American journalists commented on their increased awareness of the delicate balance in the "triangular" relationship of Japan, the United States, and China.

Indonesia: Observations on the Eve of a National Election

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Possible scenarios

Possible outcomes of the electoral process range from "somewhere between Korea and Yugoslavia," Baker said. "By Korea, I mean a government in which people who have been insiders align with a group of people who are known as reformist outsiders to form a coalition that can run a government." This could lead at the next stage to victory by an opposition coalition, thereby achieving a relatively smooth political transition to a competitive democratic system.

A worst-case scenario, Baker said, "leads to chaos and civil conflict — Kosovo or something close to it. This would not only be a horror in human terms for the millions of Indonesians who are already suffering and will be directly affected in most difficult ways. It would be a horror for the region and it should be a horror to the United States as well. Not only will we have lost the leadership that Indonesia has exercised in the last 20 years in building a more stable, better-organized, institution-based regional community in Southeast Asia, but we may end up with, in effect, a power vacuum, a series of weak states or weak quasi-states with people fighting among themselves and seeking allies wherever they can."

"That's the abyss if Indonesia cannot come out of this electoral process with a government that is at least capable of articulating and attempting to lead the country towards a view of the national interest and recovery from their economic problems and a beginning of the reconstruction of their society."
Increasingly in the years ahead private institutions, think tanks, church organizations, and private citizens will be called upon by governments to provide their services to resolve conflict, predicted Jose Ramos-Horta, 1996 Nobel Peace Prize laureate. “Because as governments fall, as state institutions fail, in preventing conflicts, in mediating conflicts, these individuals are the only hope. Many of the conflicts in the recent past prove that. “We survived this long and are winning this battle (in East Timor for self-determination) not only because of the audacity, the resilience, the strength of the East Timorese,” he said, but because of “the individuals of the world who have kept this issue alive” and succeeded in gaining support from Washington and other governments. Ramos-Horta, who has been chief negotiator on behalf of the East Timorese people at the United Nations, addressed an audience of several hundred people at the East-West Center on May 24. He began with a summary of events that have led to the East Timorese move for independence from Indonesia, which invaded the former Portuguese colony in 1975. In an election on August 8, East Timorese will choose between autonomy within Indonesia or independence from Indonesia.

Ramos-Horta: Opportunities for Peace and Independence in East Timor

Jose Ramos-Horta

Indonesia agreed to the upcoming election in East Timor this spring, following a dramatic change in foreign policy toward the territory by current President B.J. Habibie. At an earlier discussion with Jefferson Fellows at the East-West Center, Ramos-Horta said the East Timorese would work with whoever is elected the next president of Indonesia this fall. “Those in Indonesia who have the interests of their country, their reputation, the dignity of continued on page 4

A survey of the telecommunications industry and ongoing investments in convergent technology in the region can be used to gauge the prospects for recovery from the Asian financial crisis, observes Meheroo Jussawalla, senior fellow emerita at the East-West Center.

Analyzing Prospects for Asian Recovery by Telecommunications Investments

“Although the current crisis has slowed rapid growth across virtually all sectors, persistent demand for information technology promises to be a primary engine for driving the region’s recovery,” Jussawalla said. “Despite the financial troubles, most countries are using their investments in information technology as a lever to pull them out of the recessionary trends that are plaguing their societies.”

Jussawalla noted that a 1997 estimate by Frost and Sullivan predicted that revenues from multimedia services in the Asia-Pacific region will increase from $9.87 billion in 1996 to $22.7 billion in 2000. She highlighted several developments in the region, among them:

- In Indonesia, despite political upheavals, demand for cellular licenses by private companies has been growing, attracting investments from the Netherlands, United States, and Europe have signed on to be involved in the development of one of two cities planned for a $10 billion Multimedia Super Corridor. U.S. West has already invested $1.8 billion in MEASAT, Malaysia’s satellite company.
- Hsinchu Science Park on Taiwan is the core of the world’s third largest tech industry. In 1998, fostered by the private sector, Taiwan became the leading producer of notebook computers, ahead of Japan and the United States.
- China has shielded its economy from the financial storm by continually expanding its information technology sector. In 1998, it merged three ministries to form the Ministry of Information Infrastructure. China’s Minister Wu Jichuan recently announced that China will increase its investment in the telecom sector by opening it up to foreign investment.

In a free and fair vote, 90 percent of the people of East Timor would choose independence, Ramos-Horta said. He regards the August election as a test for the United Nations which will be present at the balloting. If the election is not fair and open, the U.N., as “the conscience of the international community,” will lose credibility to take a stand on other human rights issues around the world, he said.

Ramos-Horta deplored the terrorism and violence that continues in East Timor, which he attributes to the Indonesian military. He credited a combination of “extraordinary leadership” represented by Xanana Gusmao, the pro-independence guerrilla leader, the support of the Catholic Church — including co-winner of the 1996 Peace Prize, Bishop Carlos Belo — and a strong cultural identity with enabling the people of East Timor to survive more than two decades of bloodshed.

Meheroo Jussawalla

Increasingly in the years ahead private institutions, think tanks, church organizations, and private citizens will be called upon by governments to provide their services to resolve conflict, predicted Jose Ramos-Horta, 1996 Nobel Peace Prize laureate. “Because as governments fall, as state institutions fail, in preventing conflicts, in mediating conflicts, these individuals are the only hope. Many of the conflicts in the recent past prove that. “We survived this long and are winning this battle (in East Timor for self-determination) not only because of the audacity, the resilience, the strength of the East Timorese,” he said, but because of “the individuals of the world who have kept this issue alive” and succeeded in gaining support from Washington and other governments. Ramos-Horta, who has been chief negotiator on behalf of the East Timorese people at the United Nations, addressed an audience of several hundred people at the East-West Center on May 24. He began with a summary of events that have led to the East Timorese move for independence from Indonesia, which invaded the former Portuguese colony in 1975. In an election on August 8, East Timorese will choose between autonomy within Indonesia or independence from Indonesia.

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- In Indonesia, despite political upheavals, demand for cellular licenses by private companies has been growing, attracting investments from the Netherlands, the United Kingdom, and Australia. In addition, Deutsche Telecom of Germany bought a 25 percent stake in Satelindo, a satellite company.
- Thailand’s economic growth, more than any other country in the region, hinges on commitments to privatization of its two state-owned telecom monopolies. In addition, U.S. companies have invested in ventures with Thai companies, including a fiber-optic cable manufacturing company.
- In Malaysia, more than 100 companies from the United Kingdom, United States, and Europe have signed on to be involved in the development of one of two cities planned for a $10 billion Multimedia Super Corridor. U.S. West has already invested $1.8 billion in MEASAT, Malaysia’s satellite company.
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Meheroo Jussawalla
News in Brief

Asia Pacific Trade Conference in July
Senior policymakers and other experts from Asia and the Pacific will meet to discuss critical regional trade issues at a conference, “Asia Pacific Trade in the Post Crisis Era” at the East-West Center, July 1-3.

The conference will bring together participants from Japan, China, the Republic of Korea, Malaysia, Indonesia, Thailand, Taiwan, Singapore, the Philippines, New Zealand, and Australia for informal discussions on critical regional trade issues.

Leading the official U.S. delegation will be Donald Phillips, Assistant U.S. Trade Representative for Asia and APEC, who will deliver the keynote speech. The final session will focus on future trade liberalization initiatives and advancing the trade liberalization agenda in international institutions.

The conference is sponsored by the East-West Center, in cooperation with the State of Hawaii’s Department of Business, Economic Development and Tourism, the Korea Economic Institute of America, and the Korea Foundation.

Alumni Conference to Mark EWC’s 40th Anniversary
“Building an Asia-Pacific Community — The East-West Center in the 21st Century” will be the theme of an international conference of East-West Center alumni scheduled for July 5-8, 2000.

The alumni conference, sponsored by the East-West Center Association, will be held in Honolulu, in conjunction with the 40th anniversary of the Center’s founding. For details, contact the EWC Alumni Association Office, 1601 East-West Road, Honolulu, HI 96848-1601.

Fesharaki Chairs Asia Oil and Gas Conference
Fereidun Fesharaki, senior fellow at the East-West Center and a global energy expert, chaired the 4th annual Asia Oil and Gas Conference in Kuala Lumpur, Malaysia, May 31-June 1. The conference, “Asia Oil and Gas: Surviving the New Environment,” brought together representatives from major national oil companies, foreign and local government officials, traders, suppliers, consumers, and industry experts.

“With energy demand anticipated to slow down following the temporary economic setback, industry players are inevitably faced with the crucial need to reassess, review, and adjust their strategies accordingly,” Fesharaki said.

East-West Center President Charles E. Morrison also spoke on “The Asia-Pacific Economic and Political Panorama.”

International Fair Toasts Cultural Interchange
The East-West Center International Fair, organized by the Center’s international student participants, was held at the Hawaii Imin International Conference Center at Jefferson Hall, April 11. Several hundred people attended the day-long event that featured performances, exhibits, games and contests, films, and food from the Asia-Pacific region.

In addition, demonstrations were presented by participants from Cambodia, China, Federated States of Micronesia, Fiji, Guam, India, Indonesia, Japan, Kiribati, Korea, Malaysia, Nepal, New Zealand, Pakistan, Palau, Papua New Guinea, the Philippines, Samoa, Solomon Islands, Vanuatu, Vietnam, and Hawaii.

Ramos-Horta: Opportunities for Peace and Independence
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their country in mind, should seize on this unique opportunity to settle the East Timorese dispute, he said.

He acknowledged the need for the leadership of the developing world to recognize that ethnic and cultural diversity “is a blessing, in fact a source of strength and wealth.” Instead, he said, too many leaders in the developing world “always view cultural diversity as a threat to national unity and integrity. This narrow-minded approach is precisely what has torn apart these countries. Look at Sri Lanka and Indonesia today.”

He also spoke at some length about the future of an independent East Timor under the leadership of Gusmao, who remains under house arrest in Jakarta.

Assuming the election results in an independent East Timor, Ramos-Horta said that rather than become an independent nation immediately, the country will ask to be under the United Nations flag for three years.

Because an independent East Timor cannot hold membership in both ASEAN and the South Pacific Forum, he said it would join the South Pacific organization for cultural and pragmatic reasons.

“The majority of the Timorese are of Melanesian background,” Ramos-Horta explained. “Timorese feel much more at home in Fiji or Papua New Guinea, in Tonga, in Samoa, than in ASEAN, except for the Philippines.” East Timor, with a population of about 800,000 people, is an island roughly the size of Fiji.

“Australia and New Zealand are our most important partners,” he continued, noting that northern Australia is a 50-minute flight away while it is a two-hour flight to Jakarta and four hours to Singapore.

“In an independent East Timor there will be no reprisals,” Ramos-Horta added. “We, the resistance, will walk halfway to meet those collaborators on the other side. We are telling migrants (who are from other parts of Indonesia), there will be tens of thousands of them, they should not fear an independent East Timor.”

(The address by Jose Ramos-Horta was co-sponsored by The East-West Center, Matsunaga Institute for Peace, and the University of Hawaii Colleges of Arts and Sciences.)
Korean Unification and the Changing Politics in Northeast Asia

By helping North Korea to resolve its economic problems — providing a “soft landing” for the Pyongyang regime — South Korea could enhance chances for peace and stability on the Korean peninsula and, ultimately, the eventual unification of Korea, suggests Hong Yung Lee, a longtime analyst of Korean and Chinese politics and foreign policy.

Lee, who was a POSCO visiting fellow at the East-West Center, discussed “Korean Unification Issues in the Context of Changing Politics in Northeast Asia” at a presentation at the Center in April. He is a professor in the Department of Political Science and Chair of the Center for Korean Studies at the University of California at Berkeley.

Lee began by addressing the shift in international politics from military security to economic development following the end of the Cold War, and the significance for the Korean peninsula. North Korea believes its only strategy in dealing with South Korea's increasing economic strength is to sustain its military capability at great sacrifice to the people's living conditions, he observed.

“The only bargaining chip that North Korea has in the international arena is the perception shared by the world that North Korea is a military power, has military capacity as well as the military will to use it for its own survival,” he said. “That explains their style of brinksmanship. They've been using that very successfully in negotiating with the United States.”

At the same time, U.S. State Department officials have a good grasp of existing conditions in North Korea, Lee maintained. “North Korea has turned out to be much poorer than expected, less developed than expected, with a lot of domestic problems. (The State Department's) perception of North Korea has changed substantially from security threat of the United States to desperate nation struggling for survival. The United States has adopted a policy of engagement to encourage North Korea to open itself to the outside world and follow the rules of the game.”

Lee is optimistic that former Defense Secretary William Perry, who is the Clinton Administration’s North Korea Policy Coordinator, will propose a comprehensive and systematic U.S. policy toward North Korea.

He praised South Korean President Kim Dae-Jung’s policy toward North Korea as “an achievement.” “Kim Dae-Jung’s policy is timely and appropriate because he’s advocating a conciliatory, sunshine policy toward North Korea,” Lee said, “providing the incentive as well as asking the United States to lift economic sanctions, and suggesting the United States and Japan normalize diplomatic relations with North Korea.”

He cautioned the South Korean president to be patient and “wait for small and gradual improvement rather than a sudden change on the part of North Korea.” He also encouraged the South Korean administration to continue to build national consensus for unification to offset the conservatives who are waiting for the opportunity to force the government to change its policy.

Lee spoke of four scenarios that could unfold on the Korean peninsula. These include:

- the collapse of the North Korean regime, which would create uncertainty in the region;
- the status quo, in which the economic gap between South Korea and North Korea would increase;
- a soft landing, which he sees of benefit to all parties in the region, and
- military conflict, which in addition to dashing peace and stability in the region, would wipe out the economic achievements in South Korea.

While Lee acknowledged that critics might object to assisting the current North Korean government because of its policies, he said the “soft landing” scenario is the most favorable alternative, with long-term results that could lead to a unified Korea and also benefit the major powers in the region.

“South Korea should try to resolve its main concerns of national security by rendering economic assistance to North Korea which will in turn assure its refrain from using military means against the South,” Lee explained. An improved economic environment could encourage foreign and even South Korean investment in North Korea. “Once gaining some confidence for its own survival, North Korea may entertain the idea of reducing its own military strength.

“The United States will continue to station its troops in South Korea, thereby preserving its strategic advantage in dealing with the major powers in Asia. Freed from its worries about any instability in the peninsula and not facing American troops along its own border, China will be able to concentrate its energy on its own economic development. The U.S. troops in Korea will eliminate Japanese national security concerns deriving from China or North Korea and, thereby, slow down its military buildup. I think it is the only way all the major actors can get the maximum benefit from the situation in Korea.”
Publications in Review


As the economic crisis swept across Asia in 1997, gutting purchasing power in many countries, one potential silver lining seemed possible: a drop in demand for rhino and tiger parts, tortoises, wild orchids, fragrant woods, and other increasingly rare products of the region’s forests. Though threatened with extinction, these and many other plants and animals, esteemed as medicinal marvels or status symbols, have fueled a vigorous trade buoyed by rising regional prosperity and market globalization.

Today, contrary to expectation, the commerce in wild species and their products has increased substantially. The economic collapse that has been felt most keenly in Southeast Asia, combined with the continued relative prosperity of China and strong American and European economies, stimulates the flow of resources out of Southeast Asia and into East Asia and the West. Now, unexpectedly, increasing personal hardship may pose the greatest threat to already endangered species and habitats, as cash-needy citizens turn to their forests for the income that their regular jobs and crops no longer provide. One result is the destruction of the very biological resources on which their future development depends.

Asia Pacific Security Outlook 1999, edited by Charles E. Morrison. 1999. Tokyo: Japan Center for International Exchange. Paperback $15.00 plus tax and shipping and handling costs. Distributed worldwide outside Japan by Brooks Institution Press, telephone (800)275-1447 / (202)797-6258, fax (202)797-6004 or e-mail BIBOOKS@brook.edu; distributed in Japan by Japan Center for International Exchange, telephone (03)3446-7781, fax (03)3443-7580 or e-mail books@jcie.or.jp

Developments throughout 1998 underscore the continuing uncertainties in the Asia Pacific security environment and consequent difficulties of constructing a more stable regional security order. The ongoing East Asian economic crisis, nuclear tests in May by India and Pakistan, the August launch of a multistage missile by North Korea, renewed tensions in October-November between the Philippines and China over Mischief Reef in the South China Sea, and other events, as well as their near-term implications, are explored in the 1999 edition of the annual Asia Pacific Security Outlook.

Written for general audiences and security experts alike, the Outlook assesses perceptions of regional security, key defense issues, and the contributions to regional and global security of 17 member countries of the ASEAN Regional Forum. Unlike other surveys, the Outlook series draws on the expertise of a multinational team of security specialists who prepare individual country reports that enable the reader to compare and contrast the reviews of each state on current trends. The Asia Pacific Security Outlook, a centerpiece initiative of the Asia Pacific Agenda Project, is prepared through a collaboration among the ASEAN Institutes for Strategic and International Studies, the East-West Center, and the Japan Center for International Exchange.


Mortality for children under age five has declined in Nepal over the past 10 years but is still high by international standards. Between 1981-85 and 1991-95, under-five mortality declined by 40 percent from 196 to 118 deaths per 1,000 births. Nevertheless, Nepal still has one of the highest levels of infant and child mortality in the world. Results from the 1996 Nepal Family Health Survey (NFHS) show that delaying, spacing, and limiting births can substantially reduce infant and child mortality. The effects of 33 demographic, socioeconomic, and health variables on mortality of children under age five were analyzed.


Larger-than-expected fires in Indonesia have given a renewed sense of urgency to international efforts to prevent and fight forest fires in that country, and funds are flowing into an ASEAN fund earmarked for such efforts. But analyses of past fire-fighting efforts suggest that improved technical assistance will not be enough: real progress requires that the underlying causes of fires, the political climate that hampers response, and traditional barriers that impede the flow of critical information all be addressed.
To raise the standards of living and promote economic development in the region, the people of the Pacific islands must be involved in the process, particularly the development of small-scale, sustainable industries, says Sitiveni Halapua, director of the Pacific Islands Development Program at the East-West Center.

He spoke about the challenges and opportunities for Pacific island development in relation to the activities of the U.S.-Pacific Island Nations Joint Commercial Commission at an Asia-Pacific Breakfast Briefing, sponsored by Bank of Hawaii, in March.

In 1990, former President George Bush proposed the formation of the commission during a summit meeting with Pacific island leaders at the East-West Center. A formal multilateral, intergovernmental organization was formed upon the signing of a memorandum of understanding at the EWC in 1993. With 14 members, its main purpose is to promote and facilitate mutually beneficial commercial and economic relations between the United States and Pacific island nations. Halapua was involved in the formation of the JCC from the beginning. The director of the Pacific Islands Development Program serves as the administrative officer of the Executive Secretariat for the JCC and speaks on behalf of the 13 Pacific island nations in matters with the United States.

Under the Clinton administration, the commission was transferred from the U.S. Department of Commerce to the Department of State, a move welcomed by Pacific island nations and considered of significance.

That's because, Halapua says, the JCC is a historic step in the development of post-Cold War relations between the United States and Pacific island nations. “To my mind, this is one of the most important things about the Joint Commercial Commission. People tend to think of the JCC from the standpoint of the business development, but the Pacific island nations see the JCC as a mechanism to promote good relations with the United States. Since the end of the Cold War, the United States has to some extent withdrawn from the Pacific islands. The only thing that remains is the JCC.

“For the Pacific island nations, the JCC provides the mechanism to keep reminding the United States government, ‘We’re here, we were friends and we would like to continue to be friends.’”

As a means of developing opportunities for trade and investment, the commission organizes conferences and workshops that identify potential business partners and trade opportunities in the Pacific islands. “That puts a human face on the private sector as the engine of growth,” says Halapua.

In the United States, he explained, government and private sector can work cooperatively, but that concept is new to Pacific island governments. “This is a contribution the JCC can make to the region.” It can encourage the idea that the private sector, rather than being an enemy, can be a friend and partner in the development of the countries, he added.

Halapua, in answer to a question from the audience about the possibilities of economic self-sufficiency for the region, said reliance on foreign aid over the past 40 years left countries often dependent rather than self-sufficient. “That’s why the JCC is more than just an economic organization, it should become a forum where we have dialogue and convince the governments that unless the people get involved in the process there’s no hope for improving the standards of living in the islands.”

He added that he’s optimistic about commercial possibilities involving small-scale industries, projects of less than a million dollars, that rely on natural resources that sustained Pacific islanders in the past. These possibilities include fishing, agriculture, and tourism. “We’re not talking about small-scale,” Halapua said. “We’re not talking about one industry that is like a silver bullet, that will solve everything. We have to think about a combination of small projects because, after all, these are small islands.

“The connection between the vision and bottom line is clear, it is my view that the people-centered approach and private sector approach to the Joint Commercial Commission are not incompatible if we do it right.”
Notes and Quotes

Global oil prices will not stay high for too long and are likely to fall back by next year to a range of US$13–15 (RM49–57) a barrel, an oil specialist said yesterday. “What goes up must come down. Oil prices cannot stay high for too long,” Fereidun Fesharaki of the East-West Center in Kuala Lumpur, said in a paper presented to an oil and gas conference in Kuala Lumpur. Fesharaki predicted that oil prices would then remain in the US$13–15 per barrel range for three years starting next year.

OPEC agreed in March to cut output by a total of 2.1 million barrels a day to stem a plunge in prices which reached a low of less than US$10 a barrel at the end of the year. Oil prices have recovered to about US$15 a barrel. While predicting a price fallback, Fesharaki said the 1998 lows would not be reached again.

Fesharaki said production cutbacks by OPEC would be effective for a while, but additional production would eventually emerge and weaken the price.

Middle East countries would add large new capacity, he said, citing likely additional capacity in Iran and Kuwait due to foreign investments. The oil specialist said by the year 2005, Iran would produce 1.0 to 1.5 million barrels per day while Kuwait is expected to produce 1.3 to 1.5 million barrels per day.

Notes and Quotes

Beijing is looking prosperous, boasting fancy hotels, soaring department stores, well-stocked shelves and black Mercedes sedans zooming the crowded streets. Although the average income is still only about $800, I found a throng of Chinese tourists at the Great Wall. They arrived mostly by bus, but they appeared to be very much like middle-class tourists at the Statue of Liberty or the Eiffel Tower: wiping children’s noses, spending money on goofy knickknacks, snapping pictures of one another.

The promise of China to American business has always been the promise of the world’s biggest market, a place to sell, to buy and to trade. Eventually, the market for competing political ideas well may flow from the market for goods and services.

But the U.S. should never underestimate Chinese pride and the country’s determination to stamp out the legacy of foreign subjugation and humiliation.

The missile attack may have temporarily strengthened conservatives in China’s Communist regime, officials who believe reform is coming too far and too fast. Just because reform wasn’t knocked off track this time doesn’t mean it can’t happen in the future.
Membership With Friends of The East-West Center (FEWC)

Beginning this summer, donors who contribute $100 or more to the East-West Center Foundation will become members of the Friends of the East-West Center at no additional charge. FEWC is a nonprofit support organization of the East-West Center. This means that Foundation donors will be entitled to FEWC benefits, which include invitations to luncheon lectures featuring local and visiting experts on East and West relations; discounts on gift items offered by Friends; and issues of Bridge, the Friends newsletter. FEWC membership information will be mailed to qualified donors.

How to Secure a Lifetime Income, Save Taxes and Benefit the East-West Center

Many friends and supporters of the East-West Center attended two planned giving seminars conducted by Stephen H. Reese, Esq. who provided information on how to turn assets into lifetime income and reduce income taxes at the same time. The EWC planned giving program is supported by a grant from the Atherton Family Foundation. For more information, please call Gary Yoshida, development officer, at 944-7196 to request a copy of the East-West Center Foundation's brochure, A Guide to Charitable Gift Planning, a schedule of future seminars or for a free personal consultation with Stephen Reese.

Mahalo to EWC Volunteers

Every organization needs people more than money. The East-West Center is fortunate to have many good volunteers who have faith in our mission and the willingness to act upon that faith by giving their valuable time to serve our many needs. A mahalo reception was held on May 7th by the East-West Center Foundation to honor the following volunteers: Albert Chang, Lillie Ching, Jon Copeland, Butch Dela Cruz, Arien Grabbe, Miyo Ichijo, Kathy Jay, Amanda Kautz, Jane Krisberg, Bernice Loui, Jennifer Miele, Sadako Miyamoto, Alfrieda Nagata, Gene Sawyer, Hiroe Suenaga, Roy Uyemura, and Sarah Vann.

Brown Named Chair of East-West Center Foundation

Kenneth F. Brown has been elected chairman of the East-West Center Foundation's Board of Directors. Brown, a former chair of the EWC Board of Governors (BOG), is past chairman of the Queen's Health System's Board of Trustees. Newly appointed to the foundation board this month were Dr. Edison Miyawaki, president and CEO of Family Health, Inc.; Oswald Stender, former Bishop Estate Trustee and BOG chair; Gulab Watumull, president, Watumull Brothers Ltd.; Kara Puketapu, director, Tu Tangata, Wellington, New Zealand, a former BOG member; Puongpun Sananikone, president, Pacific Management Resources, Inc., Honolulu; Haigo Shen, chairman of the board, Haigo Shen & Associates, Architects & Engineers, T'aipei, Taiwan; and Dr. John Hawkins, dean, International Studies and Overseas Program, UCLA.
On behalf of the East-West Center, we would like to thank those individuals, corporations, businesses, foundations and organizations who have generously contributed to the East-West Center Foundation.

Listed are the gifts received between January 1, 1999 and March 31, 1999.

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The East-West Center Foundation has made every effort to present an accurate listing of donors. If your name has been omitted or erroneously listed, please call Judy Masters at 808-944-7105.