Comprehensive Security: Challenge
For Pacific Asia

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Abstract
This study identifies the origin, components, and significance of comprehensive security (CS) and uses Pacific Asia as an illustration of CS practical implications and challenges for policy responses as well as our conceptualization about security studies. The study begins with a comparison of CS with traditional security (national defense), both in its concerns and scope. It also notes two commonalities that CS shares with the post-9/11 modified traditional notion of security (antiterrorism). Applying the CS perspective to Pacific Asia, this study finds that Pacific Asia longest suit is in the area of economic security; its record in human security is spotty; and environmental security is the region Achilles’ heel. Many of the problems in the latter category, such as increasing terrorism and maritime piracy, not to mention the threats of sea-level rises due to global warming, would require collaborative solutions beyond the reach of any single nation. The essay ends with a speculation on the likelihood of these collaborative efforts.

Rise of Comprehensive Security
A burning issue on the agenda of nations in the twenty-first century is the new meaning of security and its place in world politics. A nation security is no longer the traditional national defense (military security) but has economic, environmental, and human dimensions as well (separately known as economic security, environmental security, and human security). All three dimensions be subsumed under the rubric of comprehensive security, a new umbrella concept that grew out of the post-Cold War debate over the ramifications of security and over security studies as a field of inquiry. Olaf Palme, the late Swedish Prime Minister

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*Pacific Asia,” as used in this paper, denotes what is usually known as Asia Pacific, less North America.


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who headed the Commission on Disarmament and Security Issues created in 1981, is
sometimes credited with having been the first one to advance the notion of
‘comprehensive security.’\(^2\) The exact import of the concept, however, has varied
and expanded over time. The Commission, which appropriated Palme’s name, developed
the idea of mutual security, to be achieved through cooperation, as no country could
win a nuclear war, and it argued against reliance on nuclear deterrence.\(^3\) Other writers
using the same concept gave it quite different meanings. One writer, for example,
invoking Japanese Prime Minister Masayoshi Ohira idea of comprehensive security,
lists the following requirements: a vibrant industrial base, a robust economy,
beneficial export relationships, and an active foreign assistance program.\(^4\) In this
view, comprehensive security entails the protection of these vital ingredients.

Comprehensive security is not just a fashionable buzzword for academics and
armchair strategists. It has entered the conscious policy planning of government
security managers in Washington, D.C., and other national capitals. The Pentagon in
1998 issued a report known as ‘U.S. Security Strategy for the East Asia-Pacific Region,’
which included a new section on Comprehensive Security: Transnational Security Challenges for the 21st Century’ (emphasis added).\(^5\) The
governments of Japan and China, each in its own way, likewise turned their attentions
to a similar search for comprehensive security.\(^6\) In the Pentagon usage,
comprehensive security demands vigilance on a panoply of concerns such as
terrorism, environmental degradation, infectious diseases, drug trafficking, energy,
and humanitarian relief. For our discussions, these issues properly fall under the
categories of environmental security and human security. And, in our usage,
comprehensive security also has a third component—economic security.

This essay presents a coherent exposition of the concept of comprehensive
security and its significance for security studies. I shall first note its differences in


\(^6\) Cf. chapters by Davis Bobrow, Sueo Sudo, and Richard Hu, in Hsiung, Twenty-First Century World Order.
conceptualization with traditional security and follow with a more in-depth discourse on the meanings of each of comprehensive security three named components. In the final section, I shall turn to the challenge that confronts Pacific Asian nations in the age of comprehensive security as the memories of the Asian financial crisis of the late 1990s (a breach of their economic security) and the recent SARS epidemic (an invasion of human security) still haunt many in the region. I hope this chosen regional focus will serve an illustrative purpose for other regions and will provide relevant insights for grappling with the new concept of comprehensive security.

**Comprehensive Security versus the Traditional Notion of Security**

Security has traditionally been defined in terms of states and the qualities of statehood. The "modern" science of security studies (in the traditional sense), as Steven Walt argues, has evolved around seeking "cumulative knowledge" about the role of military force. Until the end of the Cold War, "national security," as it was known, always focused on the military defense of the state. In contrast to comprehensive security, the traditional concept of national security embraces two distinct characteristics. First, security is commensurate with national survival in a system of world politics that is inherently contentious and anarchical; and the State is the central unit of analysis. Second, understanding force postures and capabilities is a key tenet of traditional security. Sovereign states develop military doctrines: weapons systems serve their defense but may also intensify interstate conflicts and fuel security dilemmas. In short, in the anarchical Westphalian system we live in, security in the traditional sense can be simply defined as the absence of physical

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10 "Anarchical" does not mean chaos, but the lack of an overarching supranational authority over and above the sovereign states that constitute the Westphalian system we live in.

11 A security dilemma is a phenomenon that results from a competitive round of arms races kicked off when state X starts a hefty defense buildup to strengthen its own national security, provoking states Y, Z, and others to do a catch-up game out of fears of their own security being threatened. At time 0, however paradoxically, state X may find itself relatively less secure than at time 0 when it began its hefty defense buildup. In short, the concept of security dilemma, first developed by John Herz (1950) but reassessed in depth by Robert Jervis (1978) and Jack Snyder (1984), means that one state security may incur another state insecurity.
threat to the territorial and functional integrity of a state. In this sense, all the antiterror concerns in a heightened-security-conscious world after September 11 are still largely within the traditional concept of security, as the term “homeland security” implies, although antiterrorism may have implications for human security as well.

Comprehensive security, by contrast, demonstrates two distinct shifts away from the state as the central unit of analysis, representing two opposite but ultimately interrelated foci. The first shift is toward focusing on the external community at large, as it has been shown that the rampaging forces of the environment and the ravaging effects of globalization go far beyond the ability of the state to contain them by its own resources. Epidemics like AIDS and the recent SARS attacks in East and Southeast Asia in early 2003 are but a potent reminder of this new reality. Another such reminder is the series of financial crises hitting Europe (early 1990s), Latin America (1994-1995), and Pacific Asia (1997-1999), leaving no nation unaffected in their trail.

The other trend is a shift inward from the state toward the individual citizen in terms of human security. As defined by the United Nations Human Development Report of 1994, human security includes safety from chronic threats such as hunger, disease, and repression, as well as protection from sudden and harmful disruptions in the patterns of daily life. In the growing literature, the concept of human security has been expanded to include economic, health, and environmental concerns, as well as the physical security of the individual. I might add that the post-9/11 atmosphere of ubiquitous terror, which threatens the peace of mind and quality of life of the ordinary individual, is a new source of sinister threat to human security, in addition to being a threat to a country’s national security in the traditional sense.

The various components of comprehensive security are intertwined. Global warming may have worldwide economic implications, and epidemics may ravage the physical and economic security of the individual (and society at large). While seemingly heading in opposite directions, both the globalization shift and the opposite shift toward the individual are ultimately interrelated because the individual is the ultimate beneficiary of both environmental and economic security. In either case, the

state loses its previous salience as the central focus and unit of analysis.

In the next section, I will discuss each of the three components of comprehensive security from a broad perspective.¹⁵

**Economic Security (Geoeconomics)**

Recently, geoeconomics has risen to rival, even outweigh, geopolitics as a desideratum determining a country’s national interest and its foreign policy behavior. This has come about not only because of the end of the Cold War but also, more importantly, because of the globalization of the world economy beyond the stage of complex interdependence. Although the term “geoeconomics” has been much bandied about, it needs a definition.¹⁶ On the macro level, in the geoeconomic age, matters pertaining to manufacturing, marketing, financing, and research and development (R & D) are transnationalized and eventually globalized. On the micro level, national power is no longer measured exclusively, or even mainly, by a state’s military might, and economic security has eclipsed, though not displaced, military security on the scales of strategic importance to a country’s national interest. National power in this context is not only military might but also the aggregate of a number of components such as human and technological resources, exportable capital, efficient production of modern goods, influence over global economic decisionmaking that affects one’s own vital interests, and the will to mobilize economic capacity for national ends.¹⁷

This formulation, which combines both macro-level economic power management and micro-level implications for individual states caught in the shifting power game, captures the essence of geoeconomics as we use the term in this discourse. In addition to redefining power and what the new era’s power configurations imply, the formulation also points up the paramountcy of geoeconomic calculations in the concerns of nations in world politics.

For an example of how geoeconomic desiderata may compound a country’s foreign policy priorities, one need only recall Japan’s response to the 1990–1991 Persian Gulf crisis, precipitated by Iraq’s invasion and annexation of Kuwait. That event taught the Japanese a potent lesson on economic security and its geoeconomic

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¹⁵ In this discussion, I shall rely largely on Hsiung, *Twenty-First Century World Order*, pp. 26, 34 and 96, 107, with necessary updating.


imperative. The invasion exposed the vulnerability of the Japanese economy because of its total dependency on extra-regional supplies of vital resources. As the event woefully demonstrated, access to these supplies could be disrupted at any flare-up of a crisis in a far-off place, and Japan was at the mercy of forces beyond its control. Thus, while the world's industrial nations were carrying on the post-Tiananmen sanctions against Beijing, Japan began in the fall of 1990 during the height of the Gulf crisis switch gears and be the first industrial nation to return to China in a deliberate effort to uplift its ties with the Chinese, thus breaking ranks with the rest of G-7. It not only resumed bilateral trade but even extended to China US$54 billion in credits.\(^\text{18}\)

Another instance demonstrating how the geoeconomic reflex held sway was the decision of the Hong Kong SAR government to intervene in the market in August 1998 during the course of the financial crisis hitting the Asian region. Although well-intentioned critics condemned the move as a betrayal of Hong Kong's long tradition of laissez-faire, the SAR government reacted in the same fashion as would any traditional government when its national security was breached by external military encroachments, considering the dictate of economic security in the age of geoeconomics.

As a caveat, I would reiterate for emphasis that geoeconomics have not replaced geopolitics. The competition between geopolitics and geoeconomics, in fact, offers an unavoidable complication to countries in figuring out their external friends and enemies. For instance, a foreign adversary in the geopolitical sense may very well be a great economic partner, such as in the case of China. Conversely, an ideologically-defined ally like Japan may prove to be a potential economic rival, even a threat, despite its protracted economic downturn over a decade.\(^\text{19}\)

**Environmental Security (Ecopolitics)**

Ecopolitics, strictly speaking, has a much broader connotation than the combination of the three terms economics, ecology, and politics which the term is a contraction. In its original formulation by Dennis Pirages, global ecopolitics involves the use of environment issues, control over natural resources, scarcity arguments, and related concerns of social justice to overturn the international hierarchical expansion.\(^\text{20}\) Placing it in the context of human history, Pirages speaks of an

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\(^\text{18}\) Hsiung, *Twenty-First Century World Order*, p. 27.

\(^\text{19}\) In 1995, for example, a trade war between the United States and Japan was averted at almost the last minute.

ecopolitical revolution on a par with the two preceding human revolutions: the Agricultural Revolution (c. 8,000 B.C.) and the Industrial Revolution, which began in earnest in the eighteenth century and culminated in the rapid advance of technology that was characteristic of the twentieth century (p. 4). As such, the ecopolitical revolution encompasses a number of developments affecting all nations, subsumed under what Pirages calls a "new scarcity," resulting from the exponential growth of population. The ecopolitical revolution includes resource depletion, energy shortage, water shortage, and scarcity of food and nonfuel minerals, further compounded by a related issue of natural waste disposal (pp. 8-9). In our usage, "ecopolitics" refers to only the ecological and political dimensions of the concept because we discussed the economic component in the preceding section, in the context of geoecomics, which was a term unknown when Pirages published his study.

Our concerns here are not merely with how environmental degradation affects the ecosystems, but also with the challenge it presents to nations in their mutual relations. I wish to note that a dual linkage exists between international conflict and the environment. Disputes over control of shared resources (such as shared waters of international rivers) may lead to conflict while hand renewal of resources (e.g., fish stocks) may be depleted as a result of conflict.

The threat of environmental degradation is far more serious than generally realized. Lester Brown has warned of the danger to humanity of climatic rise (global warming) due to increasing concentrations of carbon dioxide (CO₂), which had by 1998 hiked 131 percent in the two centuries since the Industrial Revolution. If CO₂ concentrations double preindustrial levels during the twenty-first century as projected, global temperature is expected to rise by at least one degree, and perhaps as much as 4 degrees, Celsius (or 2-7 degrees Fahrenheit). Sea level is projected to rise from a minimum of 17 centimeters to as much as 1 meter by 2100. As Brown summarizes, "this will alter every ecosystem on Earth." The modest but steady temperature rise in recent decades is already melting ice caps and glaciers. Ice cover is shrinking in the Arctic, the Antarctic, Greenland, the Alps, the Andes, and the Qinghai-Tibetan Plateau. If anyone still has doubts as to the long-term consequence of global warming, two recent bizarre incidents should serve

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as reminders. In the fall of 1991, hikers in the southwestern Alps near the border of Austria and Italy discovered an intact human body, a male, protruding from a glacier. The considerably well-preserved body was believed to have been trapped in a storm 5,000 years ago and quickly covered by snow and ice. Also, in the late summer of 1999, another body was found protruding from a melting glacier in Canada’s Yukon territory. As Brown half-facetiously suggests, our ancestors are emerging from the ice with a message for us: Earth is getting too warm (p. 6)! His conclusion, however, is not frivolous: We should be replacing economics with ecology” (pp. 8-10).

According to the latest reports, unusually high temperatures, drought, and forest fires brought suffering and death through the European continent and the British isles in the summer of 2003. Preliminary estimates of farm losses alone rose to billions of dollars. The news proved that global warming is not a problem limited only to any one particular or regional terrain. Considering the depleting fishery, forestry, and other resources, invoking the specter of global economic decline, and raising doubts as to the sustainability of global economic development, Brown’s motto that we should be replacing economics with ecology” (pp. 8-10) is a counsel of wisdom for all. In fact, the earliest official recognition of environmental hazards as a threat to national security probably went back to President George Bush, Sr. A 1991 presidential document summarizing the United States’ national security objectives included ensuring ***Author: I can quite tell from the quote, but I think this should be "ensuring” instead of "ensure.” If this is the case, "sic!” needs to be inserted right after "ensuring” in the quote to indicate that the mistake was in the original quoted material.*** the sustainability and environmental security of the planet . . . “ (emphasis added). 24

Human Security (Human Development)

Human security and human development fall into a continuum concerning human well-being. The former deals with the psychological end state of development instead of the more mechanical aspects of human development. 25 At a minimum, it is based on an individual and collective sense of protection from perceived present and potential threats to physical and psychological well-being from all manner of agents

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and forces affecting lives, values, and property.  

Human security is often subject to domestic structural conflict, or inequities of society (such as gross inequality in income distribution), and brute atrocities by the victims’ own government, as has happened with increasing frequency in the past two decades in Rwanda and elsewhere. But these atrocities are not a monopoly of African nations. The Kosovo crisis dramatized the modern vulnerability of individuals to state aggression even in a European country. Large-scale atrocities, crime, and terrorism, such as in the “ethnic cleansing” conducted by the self-designated central government in the disintegrating Yugoslavia, committed by governments against their own people were shocking to human conscience but also testified that brute violations of human security are not exclusively a third-world problem.

Although state terrorism is the most shocking and outrageous assault on the sanctity of human security, other less dramatic, although no less disconcerting, sources of human insecurity exist, such as:

- Income inequality,
- Clean water shortage,
- Illiteracy,
- Food shortage,
- Housing shortage, and
- Infectious diseases.

Infectious diseases, especially, are a devastating scourge for Africa. A reported 23 million people in sub-Saharan Africa were said to have begun the twenty-first century with a death sentence imposed by HIV, the virus that leads to AIDS. For the first time in the modern era, life expectancy for an entire region is declining, threatening the economic future of 800 million people in sub-Saharan Africa; and it is declining by 20 years or more.

The AIDS epidemic is not limited to Africa, however. Two countries in the Caribbean—Haiti and the Bahamas—are the worst hit outside the African continent, according to a United Nations report. The infection rates are five percent in Haiti and more than four percent in the Bahamas. AIDS has made inroads in Asia, too.

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According to a *New York Times* report (28 June 2000), the total number of people in India living with HIV was the second highest in the world behind South Africa. Although the statistic is difficult to verify, 600,000 people in China either had AIDS or were infected with HIV, according to a shocking announcement from Chinese Minister of Health, Zhang Wenkang, at the U.N. summit on AIDS held in June 2001 in New York. A more recent estimate by Beijing was that more than one million Chinese were infected with the HIV by the end of 2002. An estimate by the United Nations and the U.S. National Intelligence Council suggests that China could have between 10 and 15 million infected citizens by 2010. But a more serious problem for China, at least in terms of the number of people affected, is Hepatitis B and C, which currently have infected more than 200 million people.

Closer to home, reports showed a small but sharp rise in new HIV infections in San Francisco for 1997–1999. The *New York Times*, in a report on 1 July 2000, estimated that, despite aggressive prevention campaigns mounted in 1982, the number of new HIV infections in San Francisco had nearly doubled since 1996. The discovery gave no comfort to those who had hoped that the epidemic would be brought under control by the turn of the century.

Poverty is one more threat to human security. While an international conference on AIDS was being held in his country, President Thabo Mbeki of South Africa was quoted by the *New York Times*, 11 July 2000, as saying that “extreme poverty,” rather than AIDS, was the “biggest killer” in South Africa. President Mbeki was supported by no less prestigious an environmentalist than Bjorn Lomborg, director of the Environmental Assessment Institute in Denmark, who believed that the world should end global poverty before global warming.

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people stricken by the non-traditional virus, including those who perished (hence, an invasion of human security). Another victim was the economy (an inroad of economic security), as the epidemic slowed down production and trade; snarled business transactions; grounded flights; put travel and tourism at a halt; and created costs of premature deaths of income earners, lost work days of sick employees, higher hospitalization and treatment, and so on. Although a preliminary estimate of resulting costs was $11 billion, the final tally could be well over $50 billion.\(^{33}\)

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In sum, comprehensive security is going to gain increasing importance in the twenty-first century. The three forms of security under this generic rubric will compete with the traditional version of security (or national defense) for the attention of the security managers. After September 11, the traditional idea of national security has an antiterrorist offshoot, which has both an international orientation (as the target enemies are the faceless Al Qaeda legions and their affiliates scattered abroad) and a domestic defense line (\textit{homeland security}). As such, the new antiterrorist brand of national security shares a commonality with comprehensive security in at least two senses: First, in both cases, the borders of a country are becoming less relevant as a shield against external threats to security. Second, in the antiterrorist security perspective, no less than in comprehensive security, individuals are more apt to be the first-line direct victims of an exogenous attack on one\,\textit{country}.

**COMPREHENSIVE SECURITY IN PACIFIC ASIA**

In this section, we will examine the challenge to Pacific Asia in all three areas of comprehensive security as defined above. Although most of the problems are not limited to the Asian region alone, and some may be universal, we will note how the region reacts to these threats and if some lessons learned here may throw light on other regions.


Pacific Asia as a region enjoyed relative obscurity until the late 1980s, when its rapid economic growth soaring in the 6–9 percent range over the preceding two decades without slackening first caught the fancy, even envy, of the wider world.

According to a study of the World Bank, the region’s eight “high performance” economies during 1960–1990 grew more than twice as fast as the rest of East Asia, roughly three times as fast as Latin America and South Asia, and twenty-five times faster than sub-Saharan Africa. These eight economies also significantly outperformed industrial economies and the oil-rich Middle East-North African region.

At the rate of seven percent annual growth, which is double the normal growth rate of the older industrial economies (including the United States), an economy will double itself in one decade. Pacific Asia’s phenomenal growth record, spreading from the original eight high performance economies to other nations, prompted a wide range of respectable analysts to pronounce the twenty-first century to be the “Pacific Century.”

Rosy prognoses like these ought to be reassuring to the region’s sense of economic security, although, reminiscent of the geopolitical power game, it might even inspire fears among many in other regions, typical of a “security dilemma.”

But when the Asian financial crisis broke out on 2 July 1997, sending all the region’s once-robust economies (except perhaps China, whose growth rates remained in the seven percent range throughout) into nosedives, none of the countries had illusions about any surety of economic security in this age of globalization.

In a matter of weeks, these economies and their strong currencies witnessed a nasty meltdown. Its severity can be appreciated only in comparison. During the Great Depression of 1929-1932, the asset value of Standard and Poor’s 500 fell by 87 percent. During the Asian financial crisis, the asset value crash ranged from 75 to 85 percent in South Korea, Indonesia, Malaysia, and Thailand.

Almost immediately after 2 July 1997, a swarm of sarcastic laments and gloating denunciations greeted the temporary misfortune besetting the Asian tigers. The former

34 The eight are Japan, the “Four Tigers” (Korea, Taiwan, Hong Kong, and Singapore), China, and the three newly industrializing economies (NIEs) of Southeast Asia: Indonesia, Malaysia, and Thailand.


37 See n. 11 above for an explanation of “security dilemma.”

optimists and ‘pessimists’ for the Asian economic miracle were shut up. Instead, all
that could be heard was the ‘told you so’ refrain from Western detractors, who had
apparently had bottled-up contempt for the Asian tigers all along. Among the Western
media and commentators was a chorus of voices of despair, even ridicule, but not a
single word of sympathy, let alone a coolheaded plea for suspending final judgment
until more was known about what had happened. Christopher Patten, the last British
Governor of Hong Kong before its return to China in 1997, could hardly wait to gloat
with a petulant and, in a way, self-serving book celebrating ‘that all the tigers are
skinned and stuffed’ and heading for the museum.39

Instead of consolation, the Asian countries received ready-made condolences.
Condemnation superseded commiseration and compassion, contrary to the
expectations of basic human decency on such occasions of other people’s sorrows.
Like firefighters, the International Monetary Fund (IMF) was called on to help in its
function as the lender of last resort. But, unlike firefighters, IMF was in no hurry to
fight the fire on the scene. Instead, IMF took the time to point accusing fingers at the
architecture of and furniture arrangement in the house.40

Despite IMF’s initial gloomy forecasts that recovery would take years, if not
decades, reports by early 1999 showed encouraging signs of rebound, even among the
five worst-hit economies: Thailand, Indonesia, Korea, Malaysia, and the Philippines,
although the first two were behind the rest on the way to recovery. In a review for the
second half of 1999, the Asian Development Bank confirmed these reports.41
Additionally, after a two-year, country-by-country study on the causes of the financial
crisis and the patterns of recovery, a team of 15 economists hailing from ten Asian
countries and one economist from the United States also gave its concurring view that
since the summer of 1999, all the countries in the region have tended to gradually
recover.”42

39 Quoted in Hsiung, Twenty-First Century World Order, (p. 79).
40 Criticisms of the IMF bail-out behavior during the crisis were widespread. See Feldstein 1998,
Calomiris 1998, and Vasquez 1998. Even the World Bank came out criticizing the IMF’s response,
which, among other things, made bank interest hikes a condition for IMF bailout to countries in
trouble. The high-interest requirement caused many small and medium-sized companies to go
bankrupt, making the economic meltdown worse. See discussion in Hsiung 2001 (p. 79 and n. 3).
recovery from the crisis that began in July 1997. Available at:
42 Tzong-shian Yu and Dianqing Xu, eds., From Crisis to Recovery: East Asia Rising Again?
The timing of recovery as such is not of itself important. What is important is the implicit but potent message that the recovery carries, or, in other words, the lessons we can learn from the reasons for the early onset of the reversal, which falsified the forecasts of IMF and many other Western analysts trained in laissez faire economics. Although many lessons can be learned, I shall focus on only a few that will not only explain the relative smooth turnaround but, more importantly, shed light on the future of economic security for the region, which is the real concern for this discussion.

First, from the experience of the financial crisis, it is safe to conclude that what had done the region in was a combination of three perverse factors: (a) heavy foreign debt burden, (b) attacks by international currency speculators, and (c) loss of control by governments, due to either laxity of laws and discipline or premature liberalization without due safeguard. Parenthetically, the Japanese case was slightly different, but even Japan had its ample share of the problem named in (c), as we will see below. Thailand, with a short-term, private-sector, foreign debt burden equivalent to 50 percent of its GDP, was the first domino to fall. Devaluation of the Thai baht on 2 July 1997 sent rippling effects through the Pacific Asian region, affecting all its members, especially Korea, which was similarly ridden with huge short-term foreign debts. The rest was a story of chain reactions, known as “contagion” in the technical parlance.

In the search for an answer to the causes of their own weakness, especially their financial vulnerability, despite their robust growth, the region governments were forced to face the reality that, although they all had strong manufacturing sectors, which had accounted for their growth, the countries’ financial sectors were weak. The result of weak financial sectors was a general inadequacy of financial regulation across the region. This weakness explains why the Asian governments hit by the financial crisis were ill-equipped to forestall the problems named as factors (1) through (3) above. The logical deduction from this flaw pointed to the C word (control) as a critical, relevant remedy.

Hence, these governments resorted to capital control in response to the economic

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43 For a broader discussion of these lessons, see Hsiung, Twenty-First Century World Order, pp. 86-96.
46 Takatoshi Ito term, in Stiglitz and Yusuf, eds., Rethinking the East Asian Miracle, p. 64.
Malaysia, which had been among the most open economies on the capital account, went furthest in reintroducing capital controls. Beginning in August 1998, the exchange controls removed the Malay ringgit from international currency trading. The new system, patterned after China’s preexisting model, made the ringgit convertible on the current account as before, but not on the capital account, thus preventing buying of foreign exchange for speculative purposes. Holders of offshore ringgit accounts had, in one month time from September 1 to October 1, to repatriate their ringgits, after which repatriation would be illegal. Thus, contrary to fears of capital flight, imposition of exchange controls as such yielded a short-term, debt-free capital inflow.\

In similar fashion, governments elsewhere in the region (Hong Kong and Taiwan, for example) also intervened to protect stability in (read: maintain control over) the local stock and foreign-exchange markets and to fend off attacks by international speculators. In South Korea, where some capital account restrictions had been in place on the convertibility of the won, the government became more interventionist. In the financial sector, it moved fast to buy up bad loans from the banks and forced small banks to merge with larger ones. The government adopted tighter monetary and fiscal policies and accepted slower growth to keep inflation below five percent and the current account deficit below one percent of GDP. As elsewhere, these measures were taken to enhance governmental controls and not the structural reforms that Western critics had demanded.

Thailand was the only exception in the region in that its government did not institute similar capital controls because after having used nearly all of its foreign reserves in its futile 1997 defense of the baht, the country had no reserves left to

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47 Hsiung, Twenty-First Century World Order, pp. 84-85.
51 In a change of heart, the Korean government did allow more access to domestic markets by foreign banks and insurance companies, but at the same time required improvement in corporate and state disclosure to increase the transparency of the financial system, so as to upgrade the government’s ability to control such matters as overborrowing, a crucial cause for Korea’s succumbing to financial contagion. See Sikorski, ibid., p. 120.
defend. It was entirely dependent on the IMF standby facility. These financial controls went against the teachings of laissez faire economics and, equally, the counsels of globalization advocates. Undeniably, however, the controls proved instrumental in reversing the tides and re-steering the Asian economies to a path of steady recovery. The controls worked, precisely because they fulfilled a dual need of most nations in the region by (1) protecting against excessive inflows of foreign capital, especially short-term loans (i.e., the casino effects of hot money in and out) and, more importantly, (2) making the fairly open economies vulnerable to the whims and stampedes of portfolio and hedge fund managers’ so as to reestablish stable growth following the whirlwind financial crisis. I should add from the Asian experience that, in addition to capital control, the government in each case must have the ability to maintain price stability and high savings despite hardship. Currency control, in other words, worked only because it had the attendant support of sound economic fundamentals. Hence, currency control may not work in another region without similar supportive conditions.

The second lesson we can learn from the Asian experience, building on the first lesson just noted, is that exogenous factors unquestionably accounted for more of the genesis of the Asian financial crisis than did domestic causes, such as nepotism and structural infirmities, at which many external critics had wagged giant fingers. We have already seen that the institution (or tightening up) of financial controls, rather than more un-safeguarded liberalization or deregulation, served the region economies well in their recovery. Although Japan was a special case, it was different only because it did not have a full share of the first two of the three ills bedeviling the other Asian nations, marked (1) and (2) above. To wit, Japan did not have the same extent of the easy foreign debt problem (although it had a different sort of problem brought on by foreign borrowings, as we will see), nor the same problem of attacks by international speculators.” Japan nevertheless shared part of the problem named as (3) above, to wit: loss of control by governments, due to either laxity of laws and discipline or premature liberalization without due safeguard.” Concededly, the government-zaikai nepotism problem is notorious. It underscored Japan one-and-a-half-decade-long economic downturn that predated the Asian crisis (as it began as early as 1989) and has continued long after other countries have resurged from the crisis of 1997–1999. Pessimism prevailing in almost all discussions of Japan prospects of recovery is reflected in book titles such as

53 Ibid., pp. 369-370.
54 Hsiung, Twenty-First Century World Order, p. 87.
Can Japan Compete? and The Emptiness of Japanese Affluence.\textsuperscript{55}

But, as has been shown by the record, even overborrowing and corrupt banking systems were linked to external factors that compounded their deleterious effects, in the Japanese, as in other Asian, cases. First, overborrowing from foreign capital sources, usually in the form of loans denominated in the U.S. dollar, creating a crushing debt burden (more especially in the cases of Thailand and Korea), was due to the casino effect (hot money in and out) that came with globalization. The Japanese government\textsuperscript{56} fault was that its control over borrowing by public and private end users was inadequate and hence, a monetary policy mismanagement. Second, although poorly-regulated sectors may be a true flaw in some cases, domestic banking reform alone may not solve the whole problem. Take the Japanese banking system for example. The Japanese banks’ trouble can be traced back to Tokyo\textsuperscript{56} unguarded deregulation in the 1980s, when they were under pressure from the G-7 and the 1985 Plaza Accord. Despite its supposed virtues, deregulation opened the Japanese capital market to global capital inflows\textsuperscript{56} and removed the Japanese banks’ monitoring function on corporate performance of the borrowing enterprises, to boot. It also greatly enhanced equity financing by the so-called \textsuperscript{56}onbanks” (e.g., manufacturing firms) for Japan\textsuperscript{56} medium and small enterprises that could not borrow from the foreign capital markets. In the process, this change robbed the Japanese banks of their core loan market, shrinking it to a third of its previous level by the end of the 1980s. As Sunday Owuala points out, the ensuing competition forced the banks to engage in speculative lending in property and stocks for survival.” The collapse of both property and stock prices at the beginning of the 1990s, he adds, \textsuperscript{56}eft on the trail a huge volume of non-performing assets in many banks.” If indeed this was the case, Japan would need to moderate its unguarded banking deregulation as well as tighten control over borrowing from the international financial market. Both actions would go against the counsels usually heard from Western economists about Japan’s \textsuperscript{56}epotic” banking system!

The future of the Pacific Asian region\textsuperscript{56} economic security, therefore, depends on two closely related conditions. First, whether the measures that the Asian governments instituted in response to the crisis\textsuperscript{56}hat is, measures that have been responsible for bailing them out and bringing about their relatively smooth and, in some cases, even speedy recoveries\textsuperscript{56}ill remain in place, immunizing them from


similar attacks in the future. Second, of the three factors we identified above as being responsible for the onset of the crisis, only the first (overborrowing from the global monetary market) and the last (inadequate financial regulation) are within the grasp of governments. In fact, the capital control mechanisms instituted by the Asian governments, as noted before, should insulate them against the said problems, provided that the existing sound economic fundamentals continue in place. Attacks by international currency speculators what Paul Krugman calls "aster of the universe: hedge funds and other villains" cannot be coped with by any government acting alone. External speculators, such as the ones whose manipulations brought on the Asian financial crisis, operate in the dark and get away with predatory "killings" because no international rules and mechanisms (regimes) exist to restrain them.

The recent Asian experience provides a justification for the creation of international regimes for the control and restraint of international currency speculation. Although the Pacific Asian region, in the aftermath of the crisis, has established a modest early warning system, the task requires further collective efforts, eventually at the global level. is a healthy development for the future of the region economic security.

Human Security in Pacific Asia

Unlike certain other parts of the world, the Pacific Asian region has only remote memories of Kosovo-type genocidal conflicts. No similar attacks on human security of the kind found in Bosnia, Burundi, and Rwanda (besides Kosovo), were heard of, at least in the final two decades of the twentieth century. It remains sadly true, however, that Cambodia (briefly known as Kampuchia) under the Pol Pot regime, 1975–1979 was the first state after the end of World War II to commit war crimes against its own population. In four years’ time, Pol Pot Khmer Rouge regime was credited with having slaughtered three million people, roughly one third of its population, approaching half of the six million victims of the Holocaust over 12 years.

57 When overborrowing from foreign monetary markets is controlled by heightened internal regulation, it obviates the problem known as casino effects of globalized capital (Hsiung 2001: 360–361).
58 Paul Krugman, Return of Depression Economics, pp. 118ff.
59 For a brief discussion of how these international currency speculators operate, see Krugman, ibid., pp. 118-136.
60 Hsiung, Twenty-First Century World Order, p. 90.
61 Loksang Ho made a cogent plea on this point in a penetrating analysis of current crises, in Hsiung, ed., ibid., p. 358.
(1933–1945). Although the Nazis killed ethnic Jews in Germany, Pol Pot killed his own fellow Cambodians. The dire magnitude of the Cambodian genocidal crimes remains unparalleled in peacetime anywhere in the world. A greater tragedy is that perhaps because these heinous crimes against humanity were committed in Asia, they have never received the same amount of worldwide attention as did the ethnic cleansings in Bosnia and Kosovo, not to mention the Holocaust in Nazi Germany. Like the World War II crimes and atrocities against humanity committed by the Japanese army in Asia, these heinous crimes in Pol Pot Cambodia have received far less condemnation in the West.

In developing countries, poverty is a basic source of human insecurity. Fortunately, poverty is not a widespread problem in the Pacific Asian region. The region nevertheless has a few problems of its own, notably income inequality, aging, racial conflicts, cross-boundary drug trafficking, and the plight of women rights, which we will discuss separately below.

Income inequalities. Although no in-depth comparative studies of income inequality across the Pacific Asia is known to me, the problem of income inequity seems to me more pronounced in the wealthier countries. For example, in Singapore, according to a government survey released in May 2000, monthly household income for the bottom 10 percent of the population fell to S$133 (U.S.$76.87) in 1999 from S$258 (U.S.$149.13) the preceding year. At the same time, the richest 20 percent of households made 18 times what was earned by the poorest 20 percent of households from 15 times in 1998. Hong Kong is not much better. Although little or no information is readily available about the six years since the territory return to Chinese sovereignty in 1997, a period marred first by the Asian financial crisis and, more recently, by the SARS attack, available data for the colonial period showed a gloomy picture almost as bad as that of Singapore. During 1976–1991, the top 10 percent of the population in Hong Kong earned eight times as much as the bottom 10 percent. The gap was widening instead of narrowing. Over the eleven-year period of 1986–1996, the top 20 percent of wage earners sported a hefty 60 percent increase in income. The bottom 20 percent of all wage earners, however, had only a 20 percent

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63 See, for example, United Nations Development Program Report for 1998.
64 Hsiung, Twenty First Century World Order, p. 101.
Neoclassical economic historians argue that income inequality often increases in the early stages of industrialization but that structural changes resulting from the transition will eventually lead to a more equitable distribution of income. The question is how long the transition is going to be before the assumed self-correcting change will balance out the gross inequities. During the indefinite transition, the continuing, and often widening, income gulfs pose a dire problem for human security.

The aging problem. Aging is a universal problem in Pacific Asia. In China, for example, a People’s University study shows that by the mid-twenty-first century, one-fifth of the Chinese population will be at least 60 years old, while 80 million (seven times the number in the year 2000) Chinese will be octogenarians (Qiaobao [The China Press, New York], 20 October 2000, p. 5). The dubious honor of having the most serious aging problem falls on Japan, however. Aggregate data show that Japan is aging faster than any other nation in the world. With 17 percent of the Japanese population aged 65 or over, including 7 percent in the 75 or above group, it has the highest percentage of the elderly in its population. (By comparison, 10 percent of China’s 1.2 billion people are over the age of 60.) Before 2010, one in every five Japanese will be a senior citizen. In 2050, the number will increase to one in three. According to a New York Times report (23 July 2003), by the mid-twenty-first-century, Japan will have 30 percent fewer people and one million 100-year-olds. By then, 800,000 more people will die each year than are born. By century’s end, the United Nations estimates, the present population of 120 million will be cut in half. This graying phenomenon creates not only a caring problem for the elderly but also an increasing burden for the country’s old-age welfare programs. It also raises a serious labor shortage that Japan has to grapple with, forcing the country to confront the once-taboo option of importing labor from abroad. Despite Japan’s xenophobic immigration policy, more and more business executives are calling on the government to open the country to foreign workers. In a shocking report released in 2000, the United Nations projected that Japan would need to import 609,000 immigrants a year to maintain its 1995 working-age population level of 87.2 million through 2050. If Japan follows this advice, the report says, 30 percent of the country’s population would be immigrants or their descendents by the

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mid-twenty-first-century.  

Racial Conflicts. As a source of human insecurity, racial conflicts have a long history in Southeast Asia, an area of a multiracial community, where the major division in many countries is between the Malays and the Chinese. Most ex-colonial countries in the area bear a continuing grudge against their colonial heritage for the introduction of Chinese into the Malay world. In the nineteenth century, Chinese were imported by colonial rulers for coolie labor in their Malay-populated colonies. In a strange twist of history, descendents of these earlier Chinese coolies now dominate the economy in many of the ex-colonial Southeast Asian countries. Bi-communal conflicts rocked the first years of postcolonial Singapore. The underlying animosity between the Chinese and the Malays was a cause for Singapore’s short-lived federation with Malaya to form the new Malaysia during 1963–1965. In the neighboring Malaysia, riots and clashes between the Malay majority and the Chinese minority during 1969–1971 even triggered a brief period of martial law. The jitters created by these conflicts have intimidated the Singaporean Chinese ever since, although Singaporean Chinese make up 76.4 percent of the local population to the Malays’ 14.9 percent. The timid Chinese in Singapore are keenly aware that they are besieged by a sea of Malays in neighboring countries, from Malaysia and Indonesia to the Philippines.

The most gruesome of recurrent racial attacks on the Chinese minority was in Indonesia. An example was the riots of May 13–15, 1998, which broke out following a shoot-out by security forces that killed four students during an antigovernment demonstration at Trsakti University in Jakarta. The horrifying atrocities committed by the rioters against the ethnic Chinese were not fully known until weeks later after the Joint Fact-Finding Team (TGPF) concluded its investigation. The TGPF report showed a casualty list for the ethnic Chinese that included many among the 1,198 persons murdered (including 27 shot) and 31 missing; 40 shopping centers burned;

67 Masatishi Kanabayashi, "Immigration Attitudes Shift: Economic Realities May Force the Door Open," Asian Wall Street Journal Weekly, May 29–June 4, 2000, p. 10. Taking the 609,000 annual figure, and multiplying it by 50 years (2000–2050), I arrived at a total number of 30.5 million immigrants only. This is way below the 87.2 million working-age level in 1995 that Kanabayshi gave, citing the U.N. source. But, to be faithful to the original, I have kept his numbers.


70 Antolik, ASEAN, p. 29.
4,083 shops burned; 1,026 houses gutted; and 168 girls and women raped.71

Mounting evidence suggests that the riots, originally believed to be spontaneous outbursts, were masterminded to deliberately target the Chinese, with complicity by elements of the Indonesian security forces. Reports alleged that ethnic Chinese women raped in the riots were victims of organized sexual attacks. Similarly, the killing and sacking of the Chinese and their properties were the result of racially motivated assaults. The Chinese, who made up a bare 4 percent of the Indonesian population, were blamed for not repaying the community, despite their wealth.72

If their numerical minority combined with their success in the local economy was indeed the ultimate source of grief for the ethnic Chinese in Indonesia, the same symbiosis is repeated elsewhere, in Malaysia, Thailand, the Philippines, and so on. However, in Indonesia, the trouble for the Chinese minority was further complicated by the dubious role of the military, which was implicated in the 1998 riots, and, more specifically, in the way the riots turned on their allegedly targeted victims in Jakarta, as later in East Timor and Aceh.73 Admittedly, Indonesia is a country simultaneously plagued by sectarian violence, separatist movements, and political disarray complicated by a too-autonomous military, so the racial problem confronting the Chinese there may be peculiarly acute. Only in Malaysia, however, among all Malay-dominated countries in the region, was the Chinese minority ever able to secure an agreement on power sharing with the local ethnic majority.74 Barring future similar developments elsewhere, racial conflicts similar to those that erupted in Indonesia in 1998 can be expected to recur, though not necessarily to the same degree of gruesome violence and destruction. I wish to point out, nonetheless, that any racial conflict, even if the ethnic Chinese or any other minority should be the alleged target victim, will claim a gratuitous additional toll on other groups, including members of the ethnic majority that happen to be in harm's way. In this sense, racial conflicts as such are a real, though occasional, harrying challenge to human security in Pacific Asian countries with large “bio-communal” makeups in their populations.

Drug Trafficking. Illicit drug trafficking is another source of human insecurity haunting the Asian region. The production and consumption of narcotic substances

73 A commentary on the dubious role played by the Indonesian army in these instances was found in Jakarta Must Strike a Delicate Military Balance, by Barry Wain, in the Asian Wall Street Journal Weekly, June 26-July 2, 2000, p. 17.
74 Antolik, ASEAN, p. 30.
have a long history in East Asia, but several disturbing new developments have forced narcotics trafficking onto the regional security agenda for the first time. First, once primarily a producer of heroin shipped to other parts of the world, East Asia has itself become a major heroin consumer and an emerging market for a new class of designer drugs such as "ce" and "cstasy." Drug dependency in countries with no record of drug addiction in recent decades (e.g., China and Vietnam) is rising at an alarming rate. Secondly, narcotics trafficking is a new multibillion-dollar business in East Asia; it was probably the only enterprise not affected by the recent economic crisis gripping the region. Drug money is distorting the region’s economies and exacerbating corruption and political instability. At a Steering Committee meeting held in Canberra, Australia, on 10 December 1996, the Council for Security Cooperation in the Asia Pacific (CSCAP) decided to establish a study group on transnational crime, including drug trafficking. This development is a clear indication that the region’s vigilance has been aroused by the rise of the drug problem as a threat to human security.

Women’s rights. Contrary to the expectations of detractors of Confucian values, the worst case of women’s rights is in Japan, whose culture is predominantly Shinto-influenced and only peripherally touched by the Confucian culture. In comparison with other countries in the region, Japan’s influence from Confucianism is probably the lowest, yet, Japan’s record of women’s rights is indisputably one of the worst in the world. In Japan, the privileges of manhood are still deeply entrenched, more so than elsewhere. In the job market, men are hired with the general assumption that they will build careers with their companies; women are typically separated into one of two categories (miscellaneous workers) and (a career track). The miscellaneous female workers, who are still legion in every Japanese ministry and large company and are known as "office ladies," or O.L., will rarely rise above their lowly status and enter career tracks, which are still largely reserved for males. Among female workers, who make up 41 percent of the Japanese population, only a sparing 8.9 percent are classified as anagerial workers, compared to 46.6 percent and 46 percent, respectively, in the United States. Despite the passage of a landmark antidiscrimination law in 1985 and its reinforcement in

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76 Ibid., p. 435, n.6.
77 Data from the Cabinet Office of Japan, International Labor Organization, and Inter-Parliamentary Union, as cited in Japan’s Neglected Resource: Female Workers,” *New York Times*, 25 July 2003, p. 3.
1999 with amendments that include sanctions against sexual harassment, many Japanese companies still maintain the separate-track personnel management system. Despite the nation’s steep population decline and acute labor shortage, the same practice dies hard. Keeping women sidelined like this is not just a deprivation of their human security; it has economic costs that have been felt acutely only during the country’s 13 years of economic stagnation. A study presented to the Labor Ministry estimates that the lack of women’s full economic participation may be shaving 0.6 percent off Japan’s annual growth. In 2003 the World Economic Forum ranked Japan number 69 of 75 total member nations on empowering women. As Mariko Bando, an aide to Prime Minister Koizumi, remarked to reporters, “Japan is still a developing country in terms of gender equality.”

Similar problems confront women’s rights elsewhere in Pacific Asia, but they may not necessarily all result from indigenous culture. In some cases, the problems may be traced to an unfinished chapter in colonial legacy. One of the two last places to exit from Western colonial rule in the region is Hong Kong, which may offer an example. In this former British colony, sexual discrimination against women continued to exist even after the New Territories ordinance that had deprived women of land inheritance rights was amended in 1994 under the departing colonial government. According to an authority on the subject, the practices of discrimination against women resulting from the lack of equal opportunity protection by law—that is, practices that have been abolished in other Chinese societies—were “frozen in time by colonial ordinances” in Hong Kong. I might mention the long-standing colonial policy of tolerating concubinage as one of the things “frozen” in time. Additionally, even after the enactment of the Bill of Rights under the British post-1989 campaign to democratize on the verge of their 1997 departure, 50 existing (colonial period) laws were inconsistent with the International Covenant for Civil and Political Rights, to which Hong Kong became a party as a British colony. Likewise, many colonial-age laws ran afoul of the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), which became applicable to Hong Kong after 1976. Whatever was not rectified under the outgoing British rulers devolved upon the post-handover government of the Hong Kong Special Administrative Region (SAR)

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78 Hsiung, Twenty-First Century World Order, p. 106.
after 1 July 1997.\textsuperscript{81}

Regardless of their origins, native culture, or vestiges of colonial neglect, injustices against women’s rights are a formidable challenge to a very real part of human security in Pacific Asia.

**Environmental Security in Pacific Asia**

Strictly speaking, Pacific Asia is much broader in the geographical expanse it covers than East and Southeast Asia. Geographically, the Pacific region is vast; the Pacific is the world’s largest ocean, studded by thousands of islands grouped into about 30 political territories. The Pacific islands are usually associated with high levels of "biophysical vulnerability," or the potential for loss from natural hazards, environmental variability, and change. One of the most widely popularized environmental threats to the region is contamination from nuclear waste dumping and weapons testing. The testing of thermonuclear weapons in the region (by the United States) began in 1946.\textsuperscript{82}

During the Cold War and well into the postcolonial period, the Pacific region remained of strategic military significance to the United States. It is of continuing strategic importance in terms of access to international transport lines, seabed resources, fisheries, and natural resources. Conflicts over resources and the environment may intensify because of expanding interests from Asian governments and private companies offshore.\textsuperscript{83}

For our discussion here, four issue areas warrant special attention on the environmental security of the Pacific Asian region at large. They are (a) threats of sea-level rises, caused by global warming, to the archipelagic and island states and the littoral states with long coastlines; (b) the future of shared resources; (c) air pollution and recurrent forest fires; and (d) growing terrorism and maritime piracy.

\textsuperscript{81} According to the 1984 UK-China agreement on the return of Hong Kong, the "current system" (including the existing legal system) shall remain in place for fifty years. Cf. James C. Hsiung, Hong Kong the Super Paradox (New York: Palgrave, 2000), pp. 318-319.


First, except for landlocked Laos, the countries in East and Southeast Asia are surrounded by the ocean; Indonesia and the Philippines are archipelagic states. Japan is made up of four major islands and other lesser islands. Singapore is a tiny island city-state. China, Malaysia, Vietnam, and, to a lesser extent, Cambodia and Thailand, have long coastlines. On a global scale, our ecosystem\[climate temperature is steadily rising because of increased concentrations of carbon dioxide and other gases trapped in the atmosphere. The threatened rise in sea levels due to global warming, therefore, poses hazards for all of Pacific Asia. As noted above, if the rates of increase in trapped gases continue, the sea level is expected to rise by up to one meter by 2100.\[It is mind-boggling to imagine the effects of such a rise in sea levels on residents and businesses near the shorelines in these archipelagic and littoral states, and in such other places as Japan, Singapore, and Hong Kong, resulting from the consequential flooding and intrusion of salt water into estuaries and groundwater, not to mention the inundation of beaches and water-front properties. Infectious diseases, from the dengue epidemic to bird flu (which haunted the Hong Kong area in 1999), the latter causing one million chickens to be slaughtered, were additional grave reminders of the effects of environmental degradation and that the environment could be a real threat to the region’s security. As if to warn that such effects know of no territorial or temporal limit, the return of the nipah virus in 1999 killed more than 100 people and led to the slaughter of more than one million pigs both in peninsular Malaysia and, of much more worry, in the Borneo state of Sarawak, about 400 miles across the South China Sea from Malaysia. The most recent epidemic to hit the Pacific Asian region was the SARS virus, which broke out in the spring of 2003, disrupting international travel and inflicting untold damages on the region’s economy, as already noted.

Second, disputes over the control of shared resources (such as shared water of international rivers) may lead to conflicts, and renewable resources (fish stocks, for example) may be depleted because of conflict. In the larger Pacific Asian region, at least three areas of shared resources exist, one of which is the South China Sea, with its rich fishing grounds and oil and gas deposits. The other two are the international Mekong River and the sea lanes connecting Northeast Asia, through the Taiwan Strait, the South China Sea, and various “hockey points” in Southeast Asia, to the

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\[An archipelagic state is defined in Article 46 of the 1982 Law of the Sea Convention as State constituted wholly by one or more archipelagos and may include other islands.\]


Indian Ocean and points beyond.67 The salience of the sea lanes is tied to the region's 60% dependence on Middle Eastern oil. A mitigating circumstance, though, is China's deliberate reliance on oil and gas from Central Asia and its vast resources in Xingjiang under development. Consistent with the same policy, during President Hu Jintao's visit to Moscow in May 2003, China and Russia signed an agreement under which the Russians will transport oil from Western Siberia to China's Daqing Oilfield, to the order of 5.13 billion barrels annually from 2005 through 2030.88

The South China Sea is the best-known hotbed of disputes of the three areas, ostensibly because two internationally-contested outlying island groups are located in its waters. The Paracels are claimed by Vietnam and China, which have fought two wars over the islands, in 1974 and again in 1988. To the Spratlys, the other outlying island group, seven parties, including China, Vietnam, Malaysia, Indonesia, Brunei, Taiwan, and the Philippines have laid overlapping claims.89 Although much of the existing literature on disputes in the South China Sea approaches the disputes from a geopolitical point of view, I would, in the present context, call attention to the contested shared resources as a crucial factor behind the disputes. For instance, an occasion for a Sino-Vietnamese verbal skirmish was the announced signing by China of an agreement with Creston Energy Co., a Denver-based U.S. company, for oil exploration in the South China Sea (New York Times, 18 June 1992). Immediately after what?90

Another instance of dispute was that arising from Malaysia's arrest of four Taiwanese fishing vessels for illegal fishing in Malaysia's waters in August 1988.91

In these and other cases, if disputes lead to armed conflicts, they would likely inflict

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67 I treat sea lanes as such as a collective good shared by all East and Southeast Asian nations, as they are a vital ‘ifeline’ in that they are indispensable to uninterrupted supply of badly-needed oil from the Middle East. For a discussion of these sea lanes in the context of military security, see Tun-hua Ko and Yu-ming Shaw, Sea Lane Security in the Pacific Basin (Taipei: Asia and the World Institute, 1983).


irreparable damages to the contested shared resources at stake, hence leading to a breach of the region’s environmental security.

The long, meandering stretch of land traversed by the Mekong River is an area where potential disputes may lead to similar consequences. The Mekong runs a course of 2,600 miles, from southern China through Myanmar (Burma), Laos, Thailand, and Cambodia to Vietnam, where it exits into the South China Sea. Conflict potential is especially high where the river forms the border between Myanmar and western Laos, and later between Laos and Thailand. From the ecopolitical point of view, that belt is the site of potential future conflicts, for it is home to 230 million people, many living in poverty. Already, the ASEAN has a developmental project known as the Greater Mekong Sub-region (GMS) program with more than 100 priority projects,” including the construction of highway and railway links and dozens of hydroelectric dams on the Mekong and its tributaries, at a projected cost of up to $1 billion (The Economist, 7 September 1996, pp. 31–32).

For China, the Mekong offers a link with Southeast Asia and a chance to develop Yunan, one of its poorest provinces. But for the poorer countries, GMS offers a dream of prosperity, although the poorest, Laos, is rightfully the most cautious, ever fearful that its natural wealth will be carved up by overbearing neighbors. The potential for both mutual benefit and suspicion is seen most clearly in the ASEAN plans for the river. Although the river affords much hope for hydroelectric power generation, those countries with the biggest demand for electricity are not necessarily the ones with the biggest hydroelectric potential. For instance, Thailand has the greatest need for electricity but the least hydroelectric potential (see chart in The Economist, 7 September 1996, 12). Many environmentalists, already horrified, warn of problems ranging from the intrusion of salt water into the delta to the loss of fish and rare mammals. China, thus far, is damming the main stream of the Mekong. The anxiety of the downstream countries is clearly understandable. If disputes over sharing of water resources and control of water pollution along the Mekong river, as elsewhere, cannot be peacefully worked out by its riparian states, conflict is a most likely staple in the relations among the nations involved.

A possible solution to these and other similar disputes involving shared resources and environmental control is to follow a precedent set by China and Vietnam in 1993. In October of that year, the two countries reached an agreement whereby they pledged to suspend, without prejudice, their respective claims to the Paracel Islands in the interest of joint peaceful exploration of its resources (China Daily, 21 October 1993). Conceivably, the same formula could be used in the resolution of disputes

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92 See discussion in Shee Poon Kim, Changing Policies,” p. 79.
over the Spratlys and other sites such as the oil-rich Tiaoyutai/Senkaku island, a long-standing source of friction between Japan and China.

Third, although air pollution such as that caused by industrial waste, tailpipe emissions, and the like is a universal problem, the Asian region has had more than its share of the problem. In Hong Kong, one of Asia’s richest cities, for example, wealth has begotten waste, and lots of it. In an average day, about 16,000 tons of garbage go to landfills. Another 15 million tons of sewage, enough to fill 1,000 Olympic-size swimming pools, spill daily into Victoria Harbor. Diesel-powered taxis and trucks rumble through the city streets, leaving pedestrians cupping hands over mouths, trying not to inhale the air. Polluted air is blamed for 2,000 premature deaths a year. “Some in Hong Kong Are Fed Up With Smog,” ran a headline in the Asian Wall Street Journal Weekly (July 3–9, 2000, p. 1).

What is true of Hong Kong is also true of many other cities in the region. Yet, as if this were not enough, recurrent forest fires in Indonesia present another nuisance for the environment far beyond Indonesia’s borders. For instance, a forest and land fire started in mid-1997 burned and smoldered for more than one year. It finally burned out in East Kalimantan in May 1998, but not before it had scorched at least 500,000 hectares (1.4 billion acres) of land. For the entire year, the haze not only blanketed vast areas of East Kalimantan but also reached far-off points in Malaysia, Singapore, the Philippines, and other parts of Southeast Asia.93

Details of these fires need not concern us except that Indonesia’s apparent inability to prevent and control the wildfires is a source of worry for its neighbors. The same causes and neglect were said to be responsible for earlier recurrent fires in the country in 1986, 1991, and 1994. These wildfires have almost always been human caused, such as those resulting from agricultural conversion burns (to prepare land for pulp wood and oil palm plantations), logging operations, and even arson.94

The recurrence rate of these wildfires seems to have only increased. In March 2000, about 1,200 fires were reported in the Indonesian provinces of Riau on Sumatra and Kalimantan on Borneo, with pollution readings over the 300 level on the Pollution Standard Index (PSI), a level considered hazardous to health. The pollution effects spilled into neighboring countries. In nearby Singapore, for example, the air

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quality worsened to the most polluted levels of the year on March 8, when its PSI stood at 65. Malaysian environmentalists expected their country to feel the effects of the haze if the fires continued.95 Again, in July 2001 (the latest information available to me at the time of writing), wildfires on the Indonesian Islands of Sumatra and Kalimantan (Borneo) created a dense smoky haze blanketing a large swath of Southeast Asia. Nonetheless, Indonesia’s inability to prevent slash-and-burn agriculture by both large estate and small private farms that caused the wildfires, and its failure to formulate a plan of action to fight the fires, has exacerbated what has become an almost annual event.96

Estimates of the damage of these fires to the global environment are both hard to come by and time-consuming. In late 2002, the Environmental News Service (ENS) carried a report on the final estimates, made by a team of British scientists, of the 1997 wildfires in Indonesia. According to these estimates by the team headed by Susan Page from the University of Leicester, United Kingdom, the fires that scorched parts of Indonesia in 1997 emitted as much carbon into the atmosphere as the entire planet’s biosphere removes from it in a year.” The fires released as much as 2.6 billion metric tons of carbon mostly in the form of the greenhouse gas carbon dioxide (CO₂) into the atmosphere. The conclusion of the team’s study was that the Indonesian fires were a major contributor to the sharp increase in atmospheric CO₂ concentrations detected in 1998.” Thus, the Indonesian recurrent wildfires are not just a regional problem threatening only the environmental security of Southeast Asia, but a global warming problem.

Fourth, terrorism in the Pacific Asian region became a festering, albeit underreported, problem even before the September 11 sneak attacks on New York and Washington made the whole world edgy about terror. On 23 April 2000, armed men representing the Philippine separatist Abu Sayaf Group (ASG) raided the Malaysian diving resort of Sipadan and seized more than 21 tourists from Malaysia, Germany, South Africa, Lebanon, Finland, and the Philippines. Using these people as hostages, the terrorists entered into negotiations with the Philippine government. They made a variety of demands, including the creation of a separate state and the restoration of

97 Indonesian Wildfires Accelerated Global Warming,” ENS dispatch, 8 November 2002. Results of the team’s study were published in the November 7, 2002, issue of the journal Nature.
fishing rights for local fishermen. A few weeks later, the ASG began demanding a $1 million ransom for each hostage. They seized additional hostages, including foreign journalist covering the story. By August 2000, the group had reportedly taken in more than $5.5 million in ransom money. The ASG is a threat to not only the Philippines but also to the larger region, as it was known to have links with extremist Islamic groups in the Middle East and South Asia. One such link was with Osama bin Laden, who had reportedly funneled financial support and deployed trainers to the ASG, as well as to another local terrorist group, the Moro Islamic Liberation Front (MILF).

As recently as 6 August 2003, a sport utility vehicle packed with explosives blew up in the Indonesian capital of Jakarta, killing 15 people and wounding 150 in a Marriott Hotel, a large restaurant, and an office building. The police, three days later, identified the suicide bomber as Asmar Latin Sani, a new recruit of the militant Islamic group Jemaah Islamiyah, which is known to have close ties with Al Qaeda. Indonesian experts believed that the group operatives planned and carried out the attack in Bali in October 2002, in which 7 Americans were among the 202 killed (New York Times, 6 August 2003, p. 1; and 9 August 2003, p. 9).

The world most virulent outbreak of chemical- and biological-weapons terrorism to date took place in East Asia. The Japanese cult Aum Shinrikyo, in March 1995, released sarin nerve gas in the Tokyo subway system, killing eleven people and injuring more than 5,000. As subsequent investigations revealed, the group had attempted other chemical-biological weapons attacks, including an unsuccessful attempt to kill thousands of Tokyo residents by releasing anthrax spores from a tall building (New York Times, 26 May 1998, p. 1).

Maritime piracy, a problem related to terrorism, presents another hazard for the Pacific Asian region security in more than just the environmental sense. One instance of maritime piracy happened to a Hong Kong-owned cargo ship, the Cheung Son. On 16 November 1998, while traveling from Shanghai to Malaysia, the ship lost contact with its owners as it passed through the Taiwan Strait. The ship was attacked by a gang of pirates who were able to board by posing as antismuggling police. Once aboard the ship, the pirates ordered the 23-member crew to lie on the floor, where

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100 See discussion in Smith, East Asia Transnational Challenges,” p. 18.
they were bound, gagged, and blindfolded. After executing the crew by machine guns and other weapons, the pirates then methodically weighted the bodies and tossed them overboard. Many of the bodies later turned up in fishermen nets. The attack on the Cheung Son was one of the most violent maritime attacks in Eastern Asia in recent years. Although Chinese authorities eventually caught most of the perpetrators, it is a fact of life that sophisticated syndicates view maritime piracy as simply another means of making fast, though illicit, profits.101

The greatest threat of maritime piracy is still in Southeast Asia, especially in waters around Indonesia and the Philippines, both archipelagic countries. According to one account, nearly two-thirds of the world’s maritime piracy attacks in 1999 occurred in Asia, and about 113 (40 percent) of the 285 reported cases of piracy in the region took place in Indonesia’s ports and territorial waters.102

Rising maritime piracy in the Asian region in recent times has largely correlated with its economic and political problems resulting from the 1997 financial crisis. In Indonesia, political instability associated with the conditions surrounding the ouster of General Suharto, and the economic malaise magnified by the Asian financial crisis, have been linked to rising pirate activity, perhaps due to reduced funding for law enforcement or naval patrols. Skyrocketing unemployment may have turned many people, conceivably even some legitimate sailors, to piracy. Another reason that maritime piracy is thriving in Southeast Asia is the lack of a coordinated regional approach to the problem. In areas where governments are known to have weak law enforcement and where states engage in competing territorial claims, the pirates find their most fertile operating grounds.103 Mutual suspicion between governments remains the toughest obstacle to any collaborative antipiracy efforts on a regional level and spells a blessing for the pirates preying on ships that ply the region’s waters.

SUMMARY AND COMMENTARY

Summary

In our search for the meaning and ramifications of comprehensive security in Pacific Asia, we have looked at the economic, human, and environmental components of the question. In this closing section, I pause to sum up the main findings and then

101 Ibid., p. 19.
103 Smith, Asia’s Transnational Challenges,” p. 20.
venture a commentary. The following is a summary of the findings.

First, economic security is distinctly the region’s longest suit, not only because of its proven record of sustained, robust growths reaching “miraculous” proportions, but also because it has passed the trying test of the Asian financial crisis, mostly with flying colors. Paul Stiglitz, who supervised the World Bank’s earlier study, *The East Asian Miracle* (1993), led a reevaluative study of the Pacific Asian economies bruised by the crush of the crisis of 1997. The purpose of the study was to learn if any new insights could be gained from a “rethinking” of the miracle thesis advanced earlier. Fifteen eminent scholars, hailing from four countries (Japan, Malaysia, China, and the U.S.) and Hong Kong, took part in the project. The result was a monograph, *Rethinking the East Asian Miracle* (2001), which Stiglitz coedited with Shahid Yusuf. While most chapters are country-oriented, the final chapter, by Stiglitz, sums everything up at the regional level. For the question “is there a miracle?” the inevitable conclusion, after careful “rethinking,” is that the East Asian record of growth deserves the epithet “miracle,” or any other synonymous superlative. As if to warn the remaining skeptics, Stiglitz adds that “there is another aspect of the miracle that has received too little attention but plays a role in the sequel: capitalism has always been plagued by fluctuations, including financial panics.” ***This direct quote needs a citation, either in text, or footnote.*** The Asian miracle can be appreciated only through comparison. What is remarkable about East Asia, Stiglitz points out, is not that it so successfully passed the test of the 1997–1999 crisis but that it “had experienced so few crises over the preceding three decades.” ***Author: again, a direct quote needs an in-text or footnote citation.*** This, he emphasizes, is a better record than any of the supposedly advanced and well-managed Organization of Economic Cooperation and Development (OECD) countries” (p. 510).

Despite the debilitating SARS epidemic that hit China from November 2002 through June 2003, a forecast by the *Wall Street Journal* (14 July 2003, 1) said that the Chinese economy would sustain an 8 percent GDP growth rate for the year. According to statistics released by the National Statistic Bureau in Beijing on 17 April 2003, China’s GDP had already registered a whopping 9.9 percent growth during the first quarter of the year.***

Second, the Pacific Asian region’s record on human security is spotty. Although the lack of the abject poverty problem that usually afflicts developing...
countries is positive, the region suffers from a number of problems of its own, as we have noted. Some of these, such as income inequities and the denial of women’s rights, are found in other parts of the world but are more acute in the Asian region. Certain other problems may also appear elsewhere but are different in nature in the Asian region (for example, drug trafficking. If, in Latin America, drug pushers deal in cocaine, Asian drug dealers concentrate on heroine trafficking. Still other problems are either so much more severe or so different in Asia that they stand out in comparison with the rest of the world. Japan’s aging problem is probably the most severe among all known cases anywhere. Without doubt, Japan’s problem with women’s rights is the most severe among industrialized countries. Whereas racial conflicts are known in many other places, the bi-communal (Malay-Chinese) conflicts in Southeast Asian countries are unique in terms of their frequency, intensity, and extent of violence involved. Other problems such as illegal migration and human smuggling, which we did not discuss earlier, are likewise very real threats to human security at both the micro (individual) and macro (society) levels in the region.  

Most disheartening is the reported transborder trafficking of women and children, by the hundreds of thousands, annually in Southeast Asia.

Third, on environmental security, Pacific Asia has more than its share of the hazards and inroads that one may find in other regions. Heading the list is the threat of sea-level rises caused by global warming, which is particularly worrisome, as the region abounds in island nations and archipelagic states as well as littoral countries with long coastlines. Other problems include those confronting shared resources, air pollution and wildfires, growing terrorism, and maritime piracy. Two of these (man-made Indonesian wildfires and maritime piracy) are endemic to the region.

The above summary opens the way to a commentary, as follows.

**Commentary and Looking Ahead**

Given this report card on how the Asian region is faring in respect of the three component parts of comprehensive security, what is the bottom line as to whether and how the Pacific Asian region can do better in anticipation of the time ahead as compared with other regions? Of the three previously discussed findings, our safest bet is that the region’s smallest worry is economic security. If anything, in light of the lessons from the recent financial crisis, the area states could invest more

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107. Mikel Flamm, *Trafficking of Women and Children in Southeast Asia,* *U. N. Chronicle,* Vol. 60, No. 2 (June 2003), pp. 34-36. Here, some 225,000 are transported across borders each year, according to U.S. State Department statistics, as compared to more than two million worldwide (at p. 34).
collaborative energies in mapping ways to ward off future attacks by international currency speculators. Unlike economic security, environmental security is the region’s Achilles’ heel, and the many environmental security problems defy single-nation solutions. The problems require multination collaboration at the regional level, at a minimum, which is especially true of transnational crimes such as terrorism and maritime piracy, which have become increasingly virulent since the financial crisis of 1997. If Pacific Asian countries are to cope with these threats effectively, they must cooperate in the most intimate ways possible. They need to share tactical intelligence, build mutual trust, and put aside political rivalries and suspicion to address the wider concerns. But this is easier said than done. As Paul Smith points out, mutual suspicion thwarts any wish for a regional approach. One example was seen when Japan proposed deploying its coast guard in joint patrols to help fight piracy in the region; the suggestion received cool responses from neighboring countries, which still remember the atrocities committed during the Japanese aggression in the 1930s and 1940s and thus have reasons to fear Japanese military presence in the region. On this, as on other issues (such as Japan’s bid for a permanent seat on the U.N. Security Council), the neighboring nations’ suspicions and distrust will not subside before and unless Tokyo is ready to acknowledge its past aggression and atrocities and apologize to its Asian neighbors, an action which Japan neighbors have demanded repeatedly, in vain.

In conclusion, the ultimate challenge to Pacific Asia in the age of comprehensive security is for the region’s nations, each of which is doing well in its own way on the economic security front, to learn to collaborate as a region to combat the threats to their environmental and human security. The prospect over the long run is, however, not as dim as it looks, for two reasons. The first is based on the region’s experience in the recent crisis, in reaction to which member states collaborated, for instance, to establish an early warning system against future signs of another such dire threat to their economic security. It proves that, given time and a grave enough threat, the region can rise to the occasion.

The second reason for optimism comes from a preliminary reading of the ongoing power realignments in the larger area of the Asia Pacific, which in our

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108 Smith, Transnational Challenges, p. 20.

109 Three examples of the Japanese atrocities during World War II include (a) Rape of Nanking, when 300,000 Chinese civilians were killed in a wanton three-week massacre by the Japanese Kwantung army, December 1937; (b) germ warfare; and (c) "Comfort Women," a practice in which hundreds of Asian women were abducted into Japanese military brothels to serve as sex slaves. See Chang, Rape of Nanking; Harris, Factories of Death; and Tanaka et al., Hidden Horrors.
definition denotes the Pacific Asian region plus North America (the United States included). Already, a positive development has occurred across the Pacific all the way to the shores of America. Long before September 11, China and the United States had joined hands in the fight against drug trafficking in the Asian region. For a few years, their law enforcement agencies have cooperated occasionally to stop contraband drug shipments. The two countries signed an agreement on 19 June 2000 to increase cooperation in the fight against illegal drugs, especially heroin and methamphetamine \textit{(New York Times, 20 June 2000, p. 11)}. Concededly, beyond the immediate step of international cooperation in interdicting drug supplies, much more work needs be done in the rehabilitation of the addicts, which requires joint action by national governments in the region. But the U.S.-Chinese bilateral collaboration is a good start, for the experience thus gained, and the cooperative habit formed, could pave the way for expanding the efforts in other pursuits such as eradicating human trafficking, maritime piracy, and so on. The collaboration could also entice other governments to join, thus expanding the currently bilateral efforts into a region-wide network for combating international crimes and terrorism. In the post-9/11 fight against terrorism, U.S. cooperation with China and Southeast Asian nations (Indonesia and the Philippines, for example) has stepped up. That development could also help to bring the region\textsuperscript{110} nations together in a common endeavor in combating other threats to their comprehensive security.

The U.S. and Asian expectations in 2003 that China will play a more proactive role in helping to defuse the North Korea nuclear buildup threat, with China\textsuperscript{110} own interest in maintaining stability on the Korean peninsula,\textsuperscript{110} are but two more incentives for the Chinese to step forward to becoming a stabilizing force in the region.

Developments since the Asian crisis have helped create a regional awareness that the countries, despite their diversities, share a common destiny in the face of the ravaging forces of globalization. The ASEAN\textsuperscript{110} ten members are building a free trade area (FTA) with China known as the ASEAN+1 formula, cashing in on the vast Chinese market and the tumbling tariffs following China\textsuperscript{110} entry into the World Trade Organization. Another factor drawing member nations closer together is that China has also begun to be seen as an intra-regional source of foreign direct investments (FDI) in these Asian neighbors. Both developments are extremely important because the ASEAN was originally conceived in the 1970s to promote

\textsuperscript{110} China\textsuperscript{110} stakes in Korean peninsula: stability emanates from the $42 billion annual trade that it has with South Korea. “China Breaks with Its Wartime Past,” \textit{Far Eastern Economic Review}, 7 April 2003, p. 25.
member states’ trade and security interests (China was then the threat). The rise of an ASEAN+1, as such, implies a strategic reconceptualization of the traditional security interests in today’s changed world. It is also an indicator, however indirect, that ASEAN nations, like others, are now following a security dictate of a different sort, such as that of comprehensive security expounded previously in this paper.

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