

# The Economic Dimension of the Asian Security Order

LAWRENCE C. REARDON



In his new edited volume, Muthiah Alagappa makes a timely and valuable contribution to the theoretical understanding of the contemporary Asian security order. During the post-Cold War period, Western analysts have argued that lingering problems with the Korean peninsula, Chinese re-unification, and the Indo-Pakistani border would create rampant chaos in Asia. New players such as China would vie for domination, with only the United States able to restrain its territorial avarice.<sup>1</sup> However, while dangers continue to exist in Asia, "there are fewer challenges than before and most of the region's disputes and conflicts (including the three acute ones) have stabilized" (p. 7).

To explain this high degree of "predictability and stability" in Asia, traditional Eurocentric views of security are inappropriate; nascent Asian security institutions (such as the ASEAN Regional Forum, South Asian Association for Regional Cooperation, and Shanghai Cooperation Organization) are unable to play the role of the European Union or NATO in the regional security order. Instead, Alagappa eclectically employs instrumental (i.e., realist) and normative-contractual (i.e., rational-liberal) ap-

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<sup>1</sup> Charles A. Kupchan, "After Pax Americana: Benign Power, Regional Integration, and the Sources of a Stable Multipolarity," *International Security* 23, no. 2 (1998): 40-79.

proaches to explain the Asian pathways to order. Thus, one reason for the stable Asian security order is that the region's leaders share certain normative goals, including the pursuit of economic development, which is the focus of this review.

While the Asian security order is primarily achieved through such instrumental means as hegemony, balance of power, and concert, Alagappa proposes that the normative-contractual pathways to order play a contributing role. Thus in the post-command economy era, Asian states are primarily focused on security, power, and economic development. The realist's emphasis on issue hierarchy has been suspended, given that Asian leaders regard security as a more comprehensive concept. Economic development is considered a non-zero-sum game, whose benefits can be mutually pursued. To ensure a cooperative environment, Asian leaders have encouraged the development of regional economic institutions (such as ASEAN) and greater regional coordination through both free trade areas and greater integration with the global economy. Although force is still a possible tool of statecraft, these globalized Asian states prefer to follow international norms of independence, respect for territorial integrity, and mutual non-interference. Having absorbed such international standards of behavior, Asian leaders have maintained peace and prosperity in the region, which is now one of the three major global economic centers.

While Alagappa's chapters in Part One provide the theoretical underpinnings of the edited volume, Part Two analyzes the various pathways of competition, power, and cooperation that achieve the Asian security order. Ming Wan's chapter most strongly adheres to Alagappa's comprehensive view that economic factors are a major component of the Asian security order. Asian leaders have adopted a comprehensive view of security which includes economic priorities. Since the late 1970s, Asian states have established a variety of regional and sub-regional cooperative programs including Asia-Pacific Economic Cooperation (APEC), ASEAN Plus Three, currency swap arrangements, and a free trade area between ASEAN and China. Adopting Rosecrance's concept of the trading state, Wan argues that the Asian states are continuously engaged in cooperative economic endeavors, which both reinforces their desire for peaceful relations and

eschews territorial aggrandizement.

Most Asian states are engaged in export-oriented development, which provides positive incentives to domestic political and economic forces to insure regional security cooperation. Domestic forces thus understand the necessity of reducing the chances of conflict because their economic welfare is dependent on increased regional economic exchange. Heightened regional interdependence thus reduces—but not eliminates—the chance of war, whether it is in the South China Sea, between North and South Korea, or between mainland China and Taiwan. Finally, Ming Wan argues that Asian economic growth has been based on the Western capitalist model. Capitalism has facilitated the transition to democracy, which in turn has promoted a more secure and peaceful security order.

Wan is correct that Asian leaders link political legitimacy and the performance of their economies. Instead of the democratic peace model, which has its critics, Wan might consider this dynamic to be an Asian form of democracy. Leaders primarily are answerable to the populace for national security and economic performance, which in turn results in a greater degree of cooperation and coordination with other regional powers.

Brian Job analyzes the second cooperative pathway to the Asian security order in his chapter on Track 2 diplomacy, which is concerned with the nonofficial interactions of national groups. Adopting a constructivist interpretation, Job focuses on the development of identity and social learning that fosters norms of behavior supportive of the Asian security order. Instead of analyzing the various nongovernmental multilateral institutions supporting the regional economic security order, Job focuses on Asian regional economic cooperation as creating a cooperative atmosphere allowing "norm entrepreneurs" to engage in multilateral dialogues before the end of the Cold War (pp. 251-52). Such interaction between government officials, business people, and academic experts created norms of behavior concerning market-led economic development, a new outlook which displaced the Cold War ideological norms. Leaders realized the interconnected nature of economic and political security issues, and thus pushed for the establishment of the ASEAN Regional Forum and its Track II counterpart, the Council for Security Cooperation in the Asia-Pacific

(CSCAP).

Amitav Acharya's essay describes the third cooperative pathway to ensure the Asian security order: collective security. Like Job, Acharya focuses on the establishment of regional norms of behavior that came into being during the Cold War period (e.g., nonalignment, noninterference, equality, and soft institutionalism) that have become institutionalized in the ASEAN Regional Forum (ARF). The Southeast Asian search for a regional identity during the 1950s and 1960s that was based on a unique history and culture was also a catalyst to the building of ASEAN and the ARF. Unfortunately, Acharya rarely mentions the role of the Asian economy, except as a catalyst for institutional building during the post-Asian economic crisis period (p. 227). Rosemary Foot's excellent discussion of the limited impact of the United Nations on Asian security also overlooks the economy as an important variable.

Overall, the reader is left questioning the exact role that economic factors play in promoting the Asian security order. While Alagappa argues for an eclectic interpretation of security, Michael Mastanduno and Avery Goldstein, who focus on the traditional realist pathways to order (i.e., hegemony, balance-of-power, and concert), briefly mention the Asian security order's economic component. Their contributions reflect a traditional attitude that real(ist) men do guns and don't do butter. Yet, economic, monetary, and trade conflicts can contribute to overall regional instability and military conflict. How are economic conflicts avoided in Asia? Are economic conflicts controlled by a global or regional economic hegemon? Is there a regional balance of economic powers, such as between the Japanese and Chinese? Maybe there a concert of global or regional powers based in ASEAN, APEC, or even in the International Monetary Fund (IMF), the World Bank, and the World Trade Organization (WTO) that prevent the outbreak of economic conflict.

Additional questions also must be directed to those writing from the rational-liberal perspective. What roles do international, regional, and domestic economic groups play in promoting Asian cooperative behavior? United Nations economic organizations, including the Asian Development Bank, have played a major role in promoting and policing norms of eco-

conomic behavior in Asia. How have their actions contributed to the overall security order? What roles have multinational corporations, nongovernmental trade groups, businessmen, and bankers contributed to Track II diplomacy?

Instead of oblique references, the contributors should have included an in-depth analysis of the Asian economic crisis of the late 1990s. Some analysts have argued that post-Cold War Asia would be chaotic;<sup>2</sup> others have argued that the 1997 crisis was the end of the "economic miracle" era for Asian countries, whose inadequate response would prolong the crisis.<sup>3</sup> Unlike the inter-war period of the 1920s and 1930s in Europe and Asia when economic disruptions encouraged the rise of fascism and militarism, the post-1997 era only brought about political change in Indonesia, which was both overdue and inevitable (p. 550). Instead of self-interested, beggar-thy-neighbor policies of the 1930s, Asian countries took actions that entailed short-term costs to themselves, such as China's maintenance of the Renminbi (RMB) value, but ensured long-term regional economic recovery. Order instead of chaos dominated. Why? As each author promoted different pathways to order, it would have been fascinating to read how they would have incorporated this fascinating period into their paradigm.

In sum, this volume undoubtedly will inspire international security specialists to identify and reassess their Eurocentric ideas of security. In seeking a more comprehensive interpretation, this reviewer hopes that analysts also might consider expanding upon security's economic dimensions.

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<sup>2</sup>Thomas J. Christenson, "China, the U.S.-Japan Alliance, and the Security Dilemma in East Asia," *International Security* 23, no. 4 (1999): 49-80.

<sup>3</sup>Graham Bird and Alistair Milne, "Miracle to Meltdown: A Pathology of the East Asian Financial Crisis," *Third World Quarterly* 20, no. 2 (April 1999): 421-38.