



Changes and Transitions in the East Asian Region

by Eric Teo Chu Cheow

The Asia-Pacific region and East Asia, in particular, are today in the throes of fundamental changes and transition. Like the rest of the world, East Asia has been affected by the trends of globalization and liberalization, which are leaving profound effects on the region. In addition, East Asia has been severely affected by the Asian crisis of 1997-98, which seems to have changed the foundations of East Asian societies, even more so than just globalization alone. The East Asian transition has thus been more profound and dramatic than elsewhere in the Asia-Pacific region.

The Asian crisis has had many important political, economic, financial, and social consequences for ASEAN countries and South Korea. The effects of the crisis are still being felt today. In fact, the Asian crisis has been "total," with financial, economic, social, and political dimensions.

For the six "older" members of ASEAN and South Korea, the crisis began as a financial crisis. IMF intervention and "forced austerity" changed it into an economic crisis, which took on devastating social and political proportions in 1998. The economic and social fabrics of these societies were torn apart as they were engulfed by bad loans, shaky financial systems, corporate bankruptcies, rising unemployment, and plunging currencies. Indonesia and Thailand were "forced" into new political structures and reforms, just like crucial political and social reforms are still affecting the Philippines, South Korea, and Malaysia. Even Singapore and Brunei face key social reforms and a rethink of their own futures! The crisis has also aggravated ethnic and religious tensions, as well as the uneven distribution of wealth within countries and within ethnic-cum-religious communities, as in Indonesia or the Philippines, and to a lesser extent in Malaysia or Thailand.

Fortunately, the transition economies or the "newer" members of ASEAN (Vietnam, Laos, Cambodia, and Myanmar) were not as exposed to the Asian crisis as the "older" members or South Korea since they were not open to capital flows and international finance then, given their transition toward a free-market economy and a more open society. Nevertheless, they have also suffered. Their connection to ASEAN did not bring them tangible benefits since the "older" members were plunged into economic hardship and political chaos, and the group suffered from an image crisis, which then affected investments and trade. Furthermore, these countries were in the grips of a painful economic and social transformation, which added tremendous social strains and political challenges. Reforms and transition are on-going and it remains to be seen how they will succeed in adjusting to the new "globalized" world.

The affected countries of the Asian crisis have undertaken considerable changes in the financial, economic, social/civil

society, and political areas. But in effectuating these changes, East Asia has also embarked on a fundamental transition of the nation-state itself. There are four aspects to the transition of the Asian nation-state.

First, Asian countries have to come to a new understanding of national sovereignty in the new "globalized context." Because of globalization, the nation-state needs to be redefined in terms of its prerogatives and power. Many Asian leaders have understood that their control over a myriad of policies and decisions, from monetary control to trade policies, from the environment to security issues, has been reduced significantly. Many are battling the surge of clandestine migration and workers across borders (like in the recent case of Malaysia vs. Indonesia and the Philippines), whilst others counter the trade of drugs, small arms, and women (for example, between Thailand and both its Indochinese neighbors and Myanmar). Terrorism and the spread of HIV have also received serious attention from Asian leaders, as they try to contain such scourges across borders. Without doubt, borders appear more porous today in Asia with the advent of information technology and the powerful triads, mafias, terrorists, and gangs that have become more powerful and sophisticated in handling cross-border traffic.

Second, there is the concept of national security vs. subversion, separatism, and terrorism. Asian states are now faced with increasing security issues that have sprung up either from their colonial heritage or their failure to build national entities and identities. Many Asian nation-states are in fact fragile in terms of nation and institution-building as they are highly disparate in terms of population, religions, and ethnicity. This fragility is a cause for concern as the potential for intra-state conflicts is high across Asia. Unfortunately, as national institutions have not been adequately built and consolidated since independence, direct challenges are posed to the authorities by subversive or separatist groups; should they be perceived as terrorist groups? The transition of nation-states in Asia would therefore constitute a redefinition of the nation and a need for a new "contract social" between the people and the authorities, without which the nation is doomed to further instability and insecurity. The balance between the three principal institutions - executive, legislative, and judiciary - as well as the auxiliary institutions, like the legal, police, and security apparatus, must be solidly established in order to serve the people and the nation as a whole. Nation and institution-building would thus constitute the key to national security and for Asian nation-states' critical transition to "modern" nation-states.

Third, Asian nation-states would also have to contend with increasing soft power, as much as hard power, in the new global context. By tradition, states have always relied on hard power (military-political power) to project might and influence, but in the present context of globalization, the soft power of nations (culture, diplomacy, economic power, and influence) will have increased importance. Asian nation-states must learn that they

could increase their role and place in the world by not just focusing on hard power issues alone; there is also a need to emphasize the build-up of soft power in order to gain a better international foothold in the world of tomorrow. China has built its soft power considerably as it realizes that it cannot match U.S. hard power at this point in time. Thailand has always been fully engaged in cultural diplomacy and soft power to gain a better standing in world politics and influence.

Finally, Asian nations would probably need to redefine interstate relations within the region. Asian regionalism has been noticeably absent as Asian countries have tended to look West for trade, investments, ideas, and expertise (managerial as well as in science and technology), from colonial times to the present day. Asian regionalism would be a new form of transition for Asian countries as they seek to overcome national sovereignty issues and cross-border problems. Asian nations need to “think regional,” and even more so in the coming years as the mindset of Asian leaders and people shift and they see the region as their “larger nation” of the future. This is not a case of chauvinism or Asian arrogance, but an East Asian regionalism in the making, within the present “ASEAN plus Three” framework. It should be perceived as one of greater prosperity and stability for the whole Asia-Pacific region. East Asians therefore have to think beyond their individual nation-states in the near future as they embark on a transition toward some form of collective East Asian regionalism.

The forms of transition in East Asia have been varied and diverse, in financial, economic, social, and political terms. The international trends of liberalization and globalization have provoked these transitions in Asia, but it was the Asian crisis that gave them further impetus and force. Although changes appear irreversible, the fundamental transition for East Asia would only come when East Asians implement the ultimate transition from the present nation-state toward a “larger nation-state” beyond the present individual borders, as in the case of the growing and increasingly integrated Europe. This should in fact be the inspiration for an ultimate transition of East Asia in the next 20 years, which will have enormous implications regionally and worldwide.

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