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**“Leadership change and its effects on East Asia’s international relations,
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Leadership change and its effects on East Asia's international relations, security and economy

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Whether one believes in the idealist and constructivist views of international democratic peace and cooperative security, or in the realist approach of geopolitics as primarily a balance of power, the personality of leaders and their place in political systems and institutions matter. One needs only to look at the present international array of positions regarding Iraq to find that beliefs and almost as importantly, the ability to translate these views into concrete action, makes an immense difference. Other examples from the recent past abound: when Argentina's generals took on the United Kingdom over the Falkland Islands in 1982, they had probably factored in more the difficulty of power projection far from home and from friendly bases for the UK, and less Mrs. Margaret Thatcher's personality. The retreat from a perilous path of incidents and confrontation between China and the United States in 1996-1999 probably owes much to former president Jiang Zemin's overwhelming desire to go down in history as an international statesman.

1) How the leaders of a decade ago shaped the region

There is little analysis of East Asia's international relations from the perspective of leadership change. Yet, personalities were very much in display a decade ago, at the heyday of the coming new Pacific Century, when the "Asian way" of regional cooperation was largely based on decision-making by consensus, conflict avoidance and high level networking at one of several Asia-Pacific networks that came to symbolize a new Asian regionalism: Asean, Pecc and Apec, Asem as a late-comer in 1996, the Asean Regional Forum and its North-east dialogue extension more recently. The cognoscenti of these fora, and of their second-track

two versions, knew what they owed to personal relationships, long standing friendships (or competition), and to surprisingly small circles of participants into these networks. “Elites” and their perceptions mattered more in the area of international than the expression of public opinion. And East Asia did not lack political leaders of durable prospects, who gained acceptance as spokesmen or symbols of the region, and did not hesitate to play this role over their more transient Western counterparts.

Little does one realize how much that situation owed to the stability – or the rigidity – of most Asian political systems, and how much this has changed since. Were one to sum up the leadership and political arrangements of East Asia one decade ago, one would find:

- an array of military regimes or political systems ran and influenced by former military figures: from Thailand, most of the time, to Indonesia’s Suharto, to the Philippines where president Fidel Ramos provided the country’s best compromise between stability and democracy, to South Korea where Roh Taewoo was the country’s last general in presidential clothing – and its first liberalizer in power. Not to mention Myanmar, where general Ne Win was still around, or North Korea, where the army was inseparable from the party. The military were also very influential in China and Cambodia, and beginning to fade in Taiwan.
- Several “one and a half party” democracies in North-east Asia, to borrow from T.J. Pempel’s famous phrase. Japan was the model, where the LDP met with its second interregna in a half century at the time of Mr. Murayama’s government. More democratic than any other Asian country, Japan had already compensated for the long rule of the LDP with a frequent turnover of government leaders representing various factions: so much so that the question of leadership and continuity was already asked of Japan. South Korea and Taiwan were also in the one and a half party phase – which for them represented great democratic progress. But the conservative party in the ROK, the Kuomintang in Taiwan, were still in power.
- Communist systems of Asia – from the DPRK and PRC to Vietnam – were the exception in a world of post-communist evolution, and strikingly they have remained so, although with very diverse paths.
- Finally, the stability of political systems favoured statesmen of stature who worked in concert, after much competition and conflict in the preceding decades. China’s Deng Xiaoping, Singapore’s Lee Kwan-yew, Korea’s Kim Daejung (who actually reached

power only in 1998), Malaysia's Mahathir (finally leaving power in 2003), and even Indonesia's Suharto – courted by the Clinton administration for the first APEC summit of 1993, if otherwise berated, provided continuity and perspective – at a high cost for political democracy in most cases, one might add.

- Another factor should be mentioned, without putting any value judgment into it: America's influence over the region, although still predominant from the military point of view, was often judged to be on the wane from other perspectives. Trade deficit and budget woes, issues of lagging productivity growth and dollar weakness, a new and rising tide of interventionism based on human rights that alienated the old national security allies of South-east Asia and antagonized the Communist states: East Asian leaders had reason to upgrade their regional cooperation, diversify their external relationships. Some of them also reinvented a discourse of Asianism and Asian values that, along with much ill-conceived historical heritage, also symbolized a new pride in economic growth.

2) *The widening of democracy and the weakening of leaders*

Today, this situation has vanished, and the political scene of much of East Asia resembles much more in many respects that of mature democracies. Although exceptions remain, even some leaders of authoritarian regimes are at least playing the game of transparency and more political accountability to the public, if not to voters. In North-east Asia, the following trends can be summarized:

- Japan has moved closer towards a two-party system with the November 2003 elections, a trend that could be deduced from PM Koizumi's own situation and predicament: an opponent within his own party, carried to power by the rank and file more than by the factions, playing both on the issues of reform and on the strength of continuity. By straddling the space with the opposition, he left no choice to political opponents but to regroup. Other changes also heralded these trends: new rules allowing more personal competition within parties at local elections, and the general rejection of professional politicians by voters – which looks very much like what has happened in other mature democracies. The disaffection of public opinion also involves the other poles of Japan's power triangle – big firms and bureaucrats. In foreign policy, the consequences are plainly visible.

- South Korea and Taiwan have experienced complete political turn-over to the former opposition – and also a political disillusion that seems to have come more quickly than anywhere else. ROK’s Roh Moo-hyun and his Millennium Democratic Party, Taiwan’s Chen Shuibian and his Democratic Progressive Party embody the advent of complete democracy. They are very deeply challenged, however, and have already experimented what the French call political “cohabitation” with an opposition majority in the legislature, and for the ROK politico-financial scandals that will have a deep impact on the country’s foreign stance.

In South-east Asia, the changes are even more important, so much so as to make the region both a laboratory for democracy in emerging economies and also a cesspool of political risk. True, the picture is not universal. Myanmar is still ruled by its military junta – without Ne Win, however – and plays a cat and mouse game with its opposition, symbolized by Mrs. Aung San Suu Kyi. Vietnam’s grey leadership combines piecemeal economic reform and outward liberalization with the same eternal debates between “reform” and “conservatism” before each Party plenum. Incredibly, both Norodom Sihanouk and PM Hun Sen survive both each other and the test of nationwide elections – the political system is still in balance with two of the three political camps that agreed to the Paris conference and compromise of 1991. Singapore, an island of prosperity that has much to fear from regional communitarianism and the advent of mass terrorism, practices social and economic reform with political continuity: with the transfer of government from PM Goh Chok-tong to Lee Kwan-yew’s talented technocratic son, Lee Hsien-loong, it will have completed a change of generation, but not a political transition that is as yet unthinkable and mostly felt as needless, given the performance of the existing arrangement. Elsewhere, however, changes are enormous:

- Indonesia, the only political revolution ever engineered and achieved by the IMF in 1998, is now a multilayered political society. A parliamentary democracy with competing national leaders, an army in check at the centre, unleashed from time to time in the peripheries of Aceh and Irian Jaya, a communal furnace of Islam where the two large Muslim organizations can no longer contain the rise of Islamic preachers and sects, it is both soft and unexpectedly resilient. Indonesia’s financial reforms are a nightmare for management orthodoxy, and this combined with a perception of terrorist threat drives away foreign direct investment as well as tourists. Yet the country’s economy has picked up, its press and political debates are lively: just don’t expect any

international stewardship to emerge from Asia's third largest country. Playing off Washington requests for the fight against terrorism and the domestic balance with Islamic forces exhausts the energy of the Megawati government, itself divided on these issues. May we point out, as a hypothesis, that the future of Indonesia may lie more in the example of Turkey than, say, Algeria or Iran. A comeback of the army, crushing radical Islam in the process, seems unrealistic if one examines military weakness and corrosion. Conversely, the accession to power of the sole Islamic parties – if they could agree among themselves, itself an unlikely event – would antagonize a sizeable segment of Indonesian society which, apart from the question of religious or ethnic minorities, is only nominally Muslim. By the late summer of 2004, however, Indonesia will have known its second complete transfer of power since 1998, and a new system of direct presidential election that creates much opportunity for public emotion.

- Malaysia is also undergoing a change of leadership under difficult circumstances. The rise of political Islam is no longer confined to the North-eastern provinces, and Mahathir's Umno party is condemned to a perilous act of relying more and more on the minority (Chinese, Indian, Tamul) vote while paying lip service to safer international issues of Islam: this is probably what explains Mahathir's recent anti-Semitic and anti-Western outburst at the World Islamic Conference. His anointed successor, PM Badawi, will certainly find it hard to play such a high profile role in regional politics. Malaysia will also undergo elections in 2004, as will the Philippines. Here, social fragmentation, political gridlock under President Arroyo after the bizarre populist interlude of President Estrada, are subjects of real concern. The United States come-back with anti-guerrilla support, often portrayed as very limited, is in fact more substantial if one takes into account an under equipped Filipino army and corrupt local administrators. The Philippines are now primary material for Al Qaeda and its accomplices, and need strong economic and development aid to reverse that trend.
- Thailand, which will also hold nationwide elections in 2005, is very much on the rebound after the shock of the Asian financial crisis. Its billionaire populist prime minister, Thaksin Shinawatra, is sometimes heralded as the region's next leader of prominence. An outside observer might dryly note that Mr. Thaksin, like Italy's Silvio Berlusconi, takes more interest in economic and business related issues than in international relations *per se* – where both men have also inherited their country's ingrained trend to follow international currents rather than lead them. We shall see this

translated into the area of economic international relations with the deepening China-Thailand relationship.

3) The consequences of the new political framework for Asia's international situation

Authoritarian regimes can manage well a balance of power – as Europe's restored monarchies showed in 1815. Democratic states build democratic peace through interaction, mutual confidence and ultimately collective security. The problem in the Asia-Pacific is that it has a balance of power situation – renewed by China's rise and very lively military modernization throughout the region -, combined with an increasing abundance of democratic states, however imperfect these democracies might be judged by a puritan or neo-liberal political scientist. The balance of power suggests a need for resolve, the democratic trends brooks much irresolution concerning security and other international issues. This plays differently in North-east and South-east Asia. In the former, we witness the following trends:

- an unprecedented rise, at least for the postwar era, of the importance and influence of public opinion. In Japan, bureaucratic disgrace has hit the main ministries, weakening their ability to contain issues and shape outcomes. DPRK bluster and blunders have stirred public opinion repeatedly – more deeply than another sensitive issue such as that of the Northern Islands ever did. The August 1998 ballistic launch over Japan, the kidnapping issue which rebounded after PM Koizumi's visit to Pyongyang in September 2002 have had a deep influence. Some of China's nationalist rhetorics, and incidents such as a police incursion into Japan's Dalian consulate in 2001 have had the same effect. Yet the aftermath of Japan and Asia's succeeding financial crises, the Okinawa bases issue, and the Japanese public's revulsion at any risk-taking in international action have also weakened support for the Japan-US alliance: the popular consensus today is against, not for the U.S.-led coalition in Iraq. This makes all the more remarkable the Koizumi government's support for this action, but how long can it brave public opinion? Although the Bush administration has reaffirmed the value of Japan as an ally, it has not really broken with the Clinton administration's philosophy

of economic isolationism and avoidance of monetary and financial responsibility. It is striking that Japan, after thinking hard, has cancelled its public campaign for re-evaluation of the Chinese *yuan* after US secretary of the Treasury John Snow carried the same message to Beijing. Evidently, the two countries do not think in synch on monetary issues, and that also fuels long-term skepticism on the positive value of the alliance. After more than a decade of “reluctant realism” (Michael Green) in the international area, we may see a more polarized Japan: détente and economic moves towards China, back pedalling on some elements of the US-Japan alliance, would be one option. It would be opposed by a strategic rearming and reinforcing of Japan as a resolute partner of the United States in the region. There is nothing that Japan dislikes more in the international arena than hard choices. It may be forced by China’s rise and the difficulties of the alliance to move towards those choices.

- South Korea’s government is evidently in a domestic and international predicament. An even more progressive leaning president than Kim Daejung ever was is forced by circumstances to lead through the most dangerous crisis of the DPRK’s relation to the outside world, and at the same time to display a deeply unpopular support for the American coalition in the Middle East. Here also, public opinion has become a force in international relations: Mr.Roh’s election perhaps owes more to the politically ill-timed trial and acquittal of two American soldiers in December 2002 than to any other factor. But this precisely demonstrates that the future of alliances in the region can no longer be left to strategic considerations and top-down processes. Over the Iraqi issue, in fact, East Asia as a whole is every bit as restive as “old” Europe. Meanwhile, the South Korean government, plagued by its own Pyongyang-gate scandal over funds transferred to pay the North for the June 2000 summit, has very little room for manoeuvre in the present crisis or in the six-party talks started in August 2003 in Beijing.
- Taiwan’s democracy has discovered public opinion and the role of international relations in elections at the same time. President Chen Shuibian is a more grassroots politician than his coming rivals, former PM Lien Chan and James Soong can ever hope to be. He is also trapped, internationally, by China’s resolve to tone down its rhetorics, if not its longer term encirclement, regarding Taiwan. Where his predecessor, Mr. Lee Tenghui, could infuriate Beijing with a single sentence – and rally Taiwan around him, Chen Shuibian undertakes a more perilous path: conscious

understatement (as yet again during his recent “private” visit to New York), balanced by an encouragement of popular demonstrations in favour of self-determination in the streets. Much of the region, in its quest for accommodation with China, will hope that Taiwan’s tendency to stick out as a nail fades away, and that pro-reunification politicians come into office: it is doubtful that this will happen any time soon.

How does South-east Asia’s new political situation and its leaders play into foreign policy and security issues? It is now trivial to say, yet again, that Asean has lost momentum. The change of the guard means much less historical experience among the first line of officials, and democratic instability means that when a political leader becomes significant, he is soon swept away by political change: such was the case for the former minister of Foreign Affairs of Thailand Surim Pitsuwon, Asean’s most vocal and diplomatically outspoken actor in recent years. Reluctance towards institutional and interdependent construction, a politically well-conceived opening to the “new” members of former Indochina (which has, however, cancelled any hope of deepening Asean construction at the level of its 10 members), and finally obsession within each country around the political, religious or community debate: there does not seem to be much room left for genuine institutional construction in the short term. True, a European can easily recognize some symptoms that we experience as well at a higher level of achievement in region-building. Some dilemmas stand out:

- terrorism and the issue of political Islam. The region has had an orgy of institutional meetings and agreements around the fight against terrorism – words that also have the virtue of placing in agreement South-east Asia’s two godfathers, the United States and China. Without underestimating some cases of intelligence sharing, it seems that state sovereignty and caution prevail over the process of cooperation in that area too. At two extremes, Singapore advocates stringent region-wide measures to deny haven and breeding grounds for terrorists, while Indonesia is caught in the dilemma of avoiding martyrdom status for many radical islamists while stopping terrorist cells. Although the fight against terrorism today is a world-wide priority, it is debatable that it can in itself define the security architecture of a region such as South-east Asia.
- Leaders and public opinion are therefore caught between three trends: the alliance with the United States, reinforced by events, proven by military deployments and modernization, but a political liability in front of most domestic audiences today (at

least at the public level, since attraction towards the United States has of course not receded); insurance seeking with China, or what some call “bandwagoning”, a process that is in itself fuelled by economic trends, but also by the weakening of Asean resolve among some of its historical members; and finally, a path of its own built on non-interference and neutrality, and in practice on continual balancing of important outside actors. But what is left of Asean’s leaning towards India and growing strategic inclusion of New Delhi when the Vajpayee government and China launch their new rapprochement? Japan, of course, a primary provider of ODA and a growing security partner, has more potential to play the role of an alternative or at least balancing partner.

Some in South-east Asia today see the advent of a renewed, peaceful tributary system of relations with China. China’s offer of a free trade agreement with Asean by 2010, which took Japanese economic diplomacy by surprise, its “early harvest” offer to Thai agricultural exporters, its concessions to the poorer countries of Asean – which are also closest to its continental sphere of influence are strong political arguments in favour of this thesis.

4) China’s leadership and its foreign policy

There is no easy way to sum up the changes, some of them subtle or largely formal, some of them more substantial and a harbinger of further moves, that have happened in China since the 16th CCP Congress in November 2003. None of the analyses on other countries’ leadership apply to China: neither the move in much of maritime Asia towards politicians based on elections and competition for popularity rather than on bureaucratic network or heritage; nor the relative immobility that remains the hallmark of other Communist ruled countries in the Asia-Pacific. Most observers predicted, after the Party Congress, that a carefully stage-managed transition toeing the rules of collective leadership would be uneventful – and at the same time that the new top leaders, Messrs. Hu Jintao and Wen Jiabao, would have difficulty establishing their own authority and prestige over the cluster of followers left over by their predecessors at the top. Neither has happened. The transition has been eventful indeed, from Sars, the Korean peninsula crisis, trouble in Hong Kong and over Taiwan, and also a major military mishap with a sunken submarine that has brought interrogations. Yet these events have served to reinforce the visibility of the new leaders, and

have been the occasion of debates and transparency at least in the policy circles and publications that surround the Party. Very briefly, the following changes can be assessed: Party representation at the intermediate level of the Central Committee has been widened regionally, and slightly rejuvenated. Formal respect of Party rules is emphasized – including the publicity given to top Party meetings that traditionally went unannounced. The campaign around former president Jiang Zemin has abated, and the inclusion in the new Party constitution of his “three representations” theory does not extend to his authorship. Debates in policy journals on policy issues – whether foreign policy (Japan, India, energy dependence) or the economy (gap with countryside, the status of private property) are important and meaningful. For the first time in its history, China’s government has quickly reversed major decisions on two important occasions – Sars and the anti-secession law for Hong Kong. Because of the concern to protect “face”, this would have been previously unthinkable. Yet, limits to freedom of expression are easily found, and would-be political critics often jailed if they speak out outside the Party: so much so that the European Union and the Bush administration recently expressed, separately, the same concern for human rights. Elections, often thought to be tested at the city level, have not been extended beyond the rural localities – as yet.

At the same time, China gives the impression, more than at any time in its history, of a country on the move, and mostly in the direction of interaction and integration with the region. This is of course tied also to its economic rise, one which leads to spectacular inter-trade with Asian neighbours, and ultimately huge trade deficits for the industrialized countries of the West: a June 2003 World Bank report has aptly summarized this growing integration of Asian trade which is progressing fast, even in the absence of much institutional or political progress among partners. This linkage with neighbours that often also have dollar-denominated currencies lessens the impact of an undervalued *yuan* on their economies – although not on Japan or Europe. China has plans that are more specific to sub regions of the Asia-Pacific: the free trade area with Asean, as mentioned; participation in the Mekong projects at a higher level than previously; a turn of the Shanghai Cooperation organization to free trade projects, and ambitious oil and gas projects extending all the way to the Caspian Sea (for 2015) with Kazakhstan or in well-known competition with Japan over Siberian resources from Angarsk. The revamping of China’s depleted industrial North-east also seems destined to place this region at a crossroad of opportunity, should history speed up on the Korean peninsula: here, yet, although China increasingly strong-arms North Korean leaders to ensure that they come

back to the negotiating table, it is also defensive of North Korea's long-term security needs and has by no means began to push openly for a reunification that would involve much strategic uncertainty.

Unquestionably, China's leaders have used the twin occasion of the post 9/11 convergence on the fight against terrorism, and of their political transition, to adopt much more pragmatic, often detailed, policy outlooks with their international partners. This is also inseparable from the extraordinary benefits that China is reaping from its acceptance of the WTO based system, and from the growing orientation towards China of most of its neighbouring economies. This mixture of political and economic considerations allow China's leaders to transform their country into a center for the region – with at the core, however, an ambiguous relationship to Japan.

Preserving the advantage of political stability in spite of all the political and social unknowns in China's future, yet increasing practical influence and leverage on the outside world, means that of all Asia-Pacific countries, China is the one that is most able to have strategic designs at least in part shielded from the winds of public opinion. This may not last forever, but presents a challenge in creativity to Asian neighbours working under more domestic political constraints.