

**Asia Pacific Arms Buildups  
Part Two:  
Prospects for Control**

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## Contents

I.	Introduction.....	1
II.	Economic Growth and Interdependence .....	2
III.	US Policy .....	4
IV.	Defence Cooperation .....	9
V.	Dialogue.....	12
VI.	Confidence-Building Measures.....	15
VII.	Arms Control .....	25
VIII.	Domestic Factors .....	31
IX.	Conclusion .....	32

## Abstract

This paper is a follow-on to a companion piece (Working Paper No. 6) that examined the scope, nature and causes of recent conventional arms acquisitions in the Asia Pacific region and identified current or prospective developments about which Canada should be concerned. The current paper explores means of curbing potentially troublesome developments, points to some that might be more useful than others, and suggests the most feasible avenues for Canadian involvement.

## Acronyms\*

ABRI -- Indonesian Armed Forces	INCSEA -- Prevention of Incidents at Sea
ACDA -- (US) Arms Control and Disarmament Agency	ISIS -- Institute of Strategic and International Studies
APC -- armoured personnel carrier	JSDF -- Japan Self-Defense Force
APEC -- Asia Pacific Economic Cooperation	MBFR -- Mutual and Balanced Force Reduction (negotiations)
ARF -- ASEAN Regional Forum	MFN -- most favoured nation
ASDF -- Air Self-Defense Force	MSDF -- Maritime Self-Defense Force
ASEAN -- Association of Southeast Asian Nations	MTCR -- Missile Technology Control Regime
ASW -- anti-submarine warfare	NADK -- National Army of Democratic Kampuchea
AWACS -- airborne warning and control system	NTM -- national technical means
CCP -- Chinese Communist Party	ODA -- overseas development assistance
C <sup>3</sup> I -- command, control, communications and intelligence	OPV -- offshore patrol vessel
CFE -- (Treaty on) Conventional Armed Forces in Europe	PDMA -- Prevention of Dangerous Military Activities
COCOM -- Coordinating Committee on Multilateral Strategic Export Controls	P5 -- Permanent Five (members of the UN Security Council)
CPAF -- Cambodian People's Armed Forces	PLA -- People's Liberation Army
C(S)BM -- confidence- (and security-) building measure	PLAAF -- PLA Air Force
CSCA -- Conference on Security and Cooperation in Asia	PLAN -- PLA Navy
CSCAP -- Council for Security Cooperation in Asia Pacific	PMC -- Post-Ministerial Conference
CSCE -- Conference on Security and Cooperation in Europe	PRC -- People's Republic of China
DMZ -- demilitarized zone (Korea)	RAN -- Royal Australian Navy
DPRK -- Democratic People's Republic of Korea (North Korea)	ROK -- Republic of Korea (South Korea)
EEZ -- exclusive economic zone	RMN -- Royal Malaysian Navy
FPDA -- Five Power Defence Arrangement	SAM -- surface-to-air missile
FSX -- Fighter Support Experimental	SIPRI -- Stockholm International Peace Research Institute
FUNCINPEC -- Khmer People's National Liberation Front for an Independent, Neutral, Peaceful and Cooperative Cambodia	SLOC -- sea lanes (or lines) of communication
GSDF -- Ground Self-Defense Force	SOM -- Senior Officials Meeting
IDF -- Indigenous Defensive Fighter	SSBN -- ballistic missile submarine
IISS -- Institute for International and Strategic Studies	SSK -- attack submarine
	SSM -- surface-to-surface missile
	START -- Strategic Arms Reduction Treaty
	UNCLOS -- United Nations Convention on the Law of the Sea
	V/STOL -- vertical/short take-off and landing
	WPNS -- Western Pacific Naval Symposium

\*As this list applies to both Working Papers No. 6 and 7, not all terms may appear in this particular paper.

# I. Introduction<sup>1</sup>

Since the early 1980s there has been a marked improvement in the capabilities of Asia Pacific<sup>2</sup> armed forces, a tendency that continues into the 1990s. The regional arms buildup has been exemplified both by an increase in real defence spending and by an increase in arms holdings. Although not all countries are acquiring “state-of-the-art” weapon systems, they are acquiring more sophisticated equipment.

Working Paper No. 6 (Part One of this study) described the scope and nature of conventional arms acquisitions in the region over the last decade, discussed reasons for the acquisitions, and suggested potentially troublesome developments about which Canada should be concerned. These include, in Southeast Asia:

- the unclear purpose of Thailand’s arms buildup, particularly its naval expansion, which seems out of proportion to probable threats to Thailand;
- the military link between China and Burma, which is worrying neighbours in ASEAN, could exacerbate Sino-Indian tensions, and adds to Burma’s capability for internal repression;
- the increased risk of military incidents and accidents arising from the growing number of vessels and aircraft operating in a relatively small area;
- the increased potential for interference with freedom of navigation in subregional waters;
- the perpetuating effects of recent acquisitions on intraregional suspicion and mistrust; and
- the effect on states’ bargaining and fighting power in low-level conflicts in the subregion.

In Northeast Asia, problems arise from:

- China’s aspirations to be a major regional, and ultimately global, military power, which -- coupled with its gradual force modernization program -- could leave it in a position to dictate the outcome of territorial and other disputes in which it is involved in East Asia;
- Japan’s failure to put to rest lingering regional suspicions about its military ambitions, which could result in tensions as Tokyo tries to translate its desire to play a broader regional and international security role into military procurements and deployments;
- the continuing buildup of forces on both sides of the Korean demilitarized zone; and
- Taiwan’s robust military modernization, which has some potential for a mini-arms race with China.

More generally, the growing reach, technical sophistication and lethality of regional weapon systems are bringing Asia Pacific states within closer military range of one another. Each state can justify its acquisitions in non-threatening ways, but the types of weapons being acquired are also capable of being used for threatening purposes, and political relationships within the region are not solid enough for neighbours to exclude those possibilities from their own defence planning. Force improvements could have decisive implications in local conflicts, could generate imitative arms “strolls,” and are leaving several Asia Pacific states well-positioned to move into serious power projection in the next century, if they choose to do so.

The question of how to deal with troubling developments in Asia Pacific arms acquisition is no easier to answer than the question, posed in Part One, of which developments are troubling. The effectiveness of potential correctives depends on several related factors, most of which -- being reliant on extrapolations from other times, places and circumstances and always contingent on fortune -- can only be guessed at in advance. These factors include: political feasibility, i.e. how acceptable the measure is likely to be to the governments (and particularly the military establishments) concerned; financial feasibility, i.e.

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<sup>1</sup>This paper and the related project have been made possible by a contribution from the Cooperative Security Competition Program (CSCP) of the Department of Foreign Affairs and International Trade, which I gratefully acknowledge. The views expressed herein are informed by interviews conducted in Australia, China, Hong Kong, Indonesia, Japan, Malaysia, Singapore and South Korea in June-August 1993, in Washington, D.C. in March 1994, and in Ottawa during various visits in 1993 and 1994. I wish to thank all those individuals, too numerous to mention here, who generously shared their knowledge and insights with me. I am also grateful to my colleagues at the Institute of International Relations, particularly the Director, Dr. Brian Job, for their assistance and support. The opinions expressed in this paper are those of the author and do not necessarily reflect those of the CSCP, the Department of Foreign Affairs, or the Institute of International Relations.

<sup>2</sup>For the purposes of this study, Asia Pacific includes the North Pacific (Canada, China, Hong Kong, Japan, Mongolia, North Korea, Russia, South Korea, Taiwan and the United States), Southeast Asia (Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam) and the South Pacific (Australia, New Zealand and the other Pacific Island states that are members of the South Pacific Forum). South Asia (Bangladesh, India, Pakistan, Sri Lanka), Afghanistan and the Central Asian republics of the former USSR are not considered.

how affordable the measure is; physical feasibility, i.e. whether the measure is physically, or technologically, “doable”; and, most importantly, relevance, i.e. whether the measure would in fact address the problem in question.

Means of dealing with troubling developments could take the form of action to alleviate the buildups themselves, or action to alleviate the potential or presumed consequences of the buildups. Since the latter encompasses a broad range of options, the following discussion of potential remedies is not limited to arms control and confidence-building measures, traditionally understood. An important question is whether states -- particularly an arguable outsider like Canada -- have to undertake “action” at all. There may be sufficient built-in correctives that events can safely be allowed to take their course without any attempt at intervention. Alternatively, the scope for intervention may be so small that events will take their course regardless of what Canada does.

This paper points to factors that will shape the future of arms buildups in Asia Pacific, and suggests courses of events that might be more desirable than others. It concludes with a discussion of whether and how Canada might encourage the forestalling or alleviation of potentially worrisome consequences of Asia Pacific arms buildups.

## II. Economic Growth And Interdependence

A case can be made that one ought not to worry about recent Asia Pacific arms acquisitions because the states in the region are all interested, first and foremost, in economic growth, and it is no one’s interest to provoke a conflict or allow arms-related tensions to dent business confidence or otherwise jeopardize prosperity. The ASEANs, for example, are largely counting on the galloping links between regional economies and the shared interest in continued high growth rates to constrain any military adventurism in the region. In this formulation, the prescription for mitigating the consequences of arms buildups, and perhaps the buildups themselves, is to develop and enhance trade and investment linkages between and among Asia Pacific states; this will give all a stake in regional prosperity and therefore in regional stability.<sup>3</sup>

Implicit in this argument are several assumptions, not all of which are necessarily true.

*Assumption One: Economic prosperity itself is not prompting weapons purchases.* However, as discussed in Part One, rapid economic growth has been a prominent cause, or facilitator, of recent Asia Pacific arms buildups. Moreover, some of the other reasons for which weapons are being bought, including the interest in protecting maritime resource claims, are also linked to economic growth.<sup>4</sup> In fact, one could make a case that a recession would be the most powerful arms control measure the region could experience. A squeeze on government budgets would especially effect the procurement of the more worrying, high-end, high-cost items that go beyond basic coastal defence. Already Thailand and Malaysia have postponed the purchase of submarines because this would divert funds from more basic security requirements.

On the other hand, an economic downturn might spur a readiness to press territorial claims more fiercely or to exploit resources in disputed areas, leading to more weapons-buying, tension and possibly violence. Also, in cases where weapons are being acquired for traditional security reasons, budgetary pressures might lead states to look for cheaper alternatives, such as nuclear, chemical or biological

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<sup>3</sup>See, for example, the Address by the Foreign Minister of Malaysia, the Honourable Datuk Abdullah bin Haji Ahmad Badawi, to the Seventh Asia-Pacific Roundtable, Kuala Lumpur, June 6-9, 1993.

<sup>4</sup>Another down side of prosperity is that it makes suppliers more willing to transfer high-end weapons and technology as the price for entering booming Asia Pacific markets. Even within the region, Tokyo has been less than strict with Beijing in implementing that portion of the Japanese ODA charter that identifies recipients’ defence policy, including arms acquisition, as one of the factors it considers in making aid decisions, mainly because it does not want to risk losing cooperative economic opportunities in China. A further example of the perverse consequences that the regional focus on economic development can have on weapons procurement is exemplified by the Thai cabinet’s decision, in November 1993, that the Thai armed forces should try to arrange their arms deals on a barter basis, as a means of boosting Thailand’s sagging agricultural exports. This is likely to increase the opportunity for procurement kickbacks (and thus the incentive to buy arms), since even more middlemen will have to be brought into the process to find buyers for Thai produce. Rodney Tasker, “Transports for Tapioca,” *Far Eastern Economic Review*, March 10, 1994, p. 20.

weapons. And future uninterrupted Asia Pacific economic growth and interdependence is not a given. The business cycle is just that -- cyclical.

*Assumption Two: Conflict over economic issues will be less likely to result in the use, or threat of use, of weapons than will conflict over other issues.* A recent study based on the 1870-1938 period suggested that, in terms of conflict reduction, the most beneficial effects of economic interdependence may exist only at low levels of economic linkages. At higher levels, interdependence may provide increased opportunity for potential discord.<sup>5</sup> Trade and investment does not flow evenly across the region. China might become an economic giant less “interdependent” with its neighbours than simply dominant over them.<sup>6</sup> Already Southeast Asians are worried that the disproportionate level of Japanese investment in the subregion could amount to an economic takeover by Japan. Japanese economic interests in Southeast Asia have given Japan an interest in SLOC security that could lead to clashes between the MSDF and ASEAN navies. Even when trade flows are more evenly balanced, economic issues themselves can generate frictions. Interdependence among ASEANs has not eliminated all, or even most, dangers associated with Southeast Asian arms acquisitions. China-Taiwan is another case where economic interdependence is increasing but arsenals continue to grow. A recurrent worry with respect to Japanese-US and Sino-US relations is that economic disputes will spill over into the political and security realms. The consequences of rapid growth and burgeoning populations (e.g. deforestation, resource scarcity, pollution, refugee flows) may themselves generate inter and intrastate conflict. If economic success is increasingly the determinant of national security and international status, force may be used more frequently to support and to protect economic activity.

The potential for discord over economic issues to result in weapons use is even more conceivable if one considers the likely nature of future conflict in the region. Total war is improbable, except on the Korean Peninsula. More likely are shows of arms, border skirmishes and cross-border raids, all of which could occur with minimal disruption to trade and could even promote the prosperity of the transgressor by resulting in a secure hold over resource-rich areas.

*Assumption Three: Cooperation in the economic sphere will reduce tensions and promote cooperation in the security sphere.* This is the functionalist argument, based in part on the notion that any human “networking” is confidence-building. ASEAN is cited as an example of how a group of states that came together for the purposes of promoting political and economic cooperation can become a security community, in the sense that the use of force among members is not really considered an option. Could this not be replicated in Northeast Asia, through a new organization, or on a region-wide basis through APEC?

However beneficial economic dialogue and cooperation may be on its own terms, one should not hold one’s breath waiting for it to lead, directly or indirectly, to greater military confidence and cooperation. The APEC agenda is already so crowded that specific security issues are highly unlikely to receive an airing unless they have immediate economic implications. In fact, a focus on economic dialogue may be a way for states to avoid talking about military security issues.

Even if prosperity and interdependence are assumed to diminish the prospect of armed conflict, Asia Pacific economic integration is not happening at anywhere near the pace or scale to deal with the potentially troublesome consequences of arms buildups in the early 21st century. Asian economies remain substantially independent of one another, and what little cooperation exists is subject to political vagaries.

Trade between China and Russia, Russia and Japan, Japan and India, and India and China is still extremely limited, both in absolute terms and as a portion of the imports and exports of each country. The flows of trade and investment between Japan and China have grown rapidly since the end of the 1970s, but they begin from a very low level and remain fresh and potentially

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<sup>5</sup>Katherine Barbieri, “Does Economic Interdependence Reduce Dyadic Conflict?” Paper prepared for the International Studies Association 35th Annual Meeting, Washington, D.C., March 28-April 1, 1994, p. 7.

<sup>6</sup>See Thomas L. McNaugher, “Reforging Northeast Asia’s Dagger? US Strategy and Korean Unification,” *Brookings Review*, Summer 1993, pp. 13-17.

fragile.... The most advanced Asian economies...continue to look outside Asia for export markets and to regard one another as bitter competitors across a range of manufacturing sectors.<sup>7</sup>

The rise of trade barriers in Europe and North America could give a push to Asian economic integration; however, it could just as easily lead Asians to compete against one another for shares of a diminishing export market. Suspicions about the purposes of trading partners' arms buildups is not likely to help the cause. Asia still lags behind the rest of the world in creating explicit, cooperative regional economic arrangements. The November 1994 Bogor declaration rather vaguely pledges APEC's developed members to achieve "free and open trade" by 2010, and its developing members by 2020. But the declaration fails to define the difference between "developed" and "developing," and Malaysia has already attached an addendum stipulating that even the far-off date of 2020 is not binding, which could open the door to other opt-outs along the way.

There are ways in which increasing economic interdependence could enhance prospects for security cooperation. If all in the region share an interest in trade protection, it should be easier to arrive at measures that improve the safety of navigation and reduce the risk of accidents, incidents and misunderstandings at sea. Economic cooperation may also provide an avenue for finessing some of the territorial disputes in the region through, e.g. joint development projects in the Spratlys or the Northern Territories. As well, over the long term, increasing economic contact may replace national memories -- and the resultant national stereotypes -- with commercial images. Many young Singaporeans and South Koreans, used to buying Japanese products in Japanese department stores, do not share their parents baggage about Japan's pre-1945 behaviour.

Where the growth of regional economies may have its greatest effect on arms buildups is through the changes it engenders in domestic society and politics. As will be discussed below, high rates of economic growth are creating middle classes increasingly resentful of the military's role in government and more interested in consumer goods than in national military symbols. In South Korea, Taiwan and Thailand, increased economic liberty has already led to demands for smaller military budgets and more civilian input into defence decisions.

In short, economic interdependence -- if perhaps a necessary condition -- is probably not a sufficient condition for dealing with the troubling aspects of arms buildups. Regional security planners should look for stronger foundations than this on which to build a peaceful Asia Pacific.

### **III. US Policy**

US policy is the largest single, controllable (by non-Asians) factor bearing on future force developments in Asia Pacific. Washington is both the region's leading arms supplier and the guarantor of Japanese, South Korean and (to a lesser extent) Southeast Asian security. Future military developments in the region will depend to a considerable degree on the pace and nature of US force reductions, and on the extent to which the US remains a strong and credible Asia Pacific military power.<sup>8</sup> As well, more so than most states, the United States is in a position to counter the potentially adverse consequences of current Asia Pacific arms buildups. American policy could take several courses.

#### **Deterrence and Reassurance**

The US has sought to deter adventurist military acts in Asia Pacific through the forward deployment of forces and through a series of mainly bilateral defence treaties with a handful of regional states, to wit, Japan, South Korea, Thailand, the Philippines and Australia. On the flip side, this policy has provided reassurance to regional allies that Washington will provide them with military protection in a crisis, thus limiting their own force needs and roles.

In the past, the main regimes to be deterred were the Soviet Union and North Korea, and the main allies to be reassured were Japan and South Korea. To an extent, this still holds true. Japan, and probably

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<sup>7</sup>Aaron L. Friedberg, "Ripe for Rivalry: Prospects for Peace in a Multipolar Asia," *International Security*, Vol. 18, No. 3 (Winter 1993/94), pp. 19-20.

<sup>8</sup>The effects of US policy as an arms supplier are discussed later in the paper.

China, continue to regard American power as a necessary guard against a resurgence of Russian military might. South Korea still depends on the United States to hold the fort against North Korea. However, with the accretion of China's economic and military strength, the US presence is valued increasingly as a deterrent against that potential hegemon. As well, America's worth as a "container" of Japanese military power is taking on new prominence, particularly with Japan's neighbours.

The US-dominated hub and spoke system is still in place and is likely to be the basis of Asia Pacific security for some time. However, as discussed in Part One, one impetus for regional arms buildups is the perception that the US will not be politically and militarily able to carry out its deterring/reassuring role for the indefinite future. For Washington to overcome this perception (or, if the perception is correct, for Washington to deter and reassure at lower levels of forces in a way that keeps regional arms buildups in check), three aspects of US policy must be addressed: commitment, capability and will.

### ***Commitment***

The April 1990 East Asia Strategic Initiative posited the United States as a "regional balancing wheel." It further noted that while Washington would accept some budget-driven reductions of forces in Asia and would, wherever possible, transfer local defence responsibilities to regional allies, it would retain a visible deterrent posture in the region and would continue to honour its outstanding security treaty commitments. A series of high-level visitors to Asia, from President Clinton on down, have fairly consistently repeated Washington's general commitment to regional security and its intent to maintain its specific defence commitments to regional allies, particularly to South Korea in the event of a North Korean attack, and to Japan.

The extent of Washington's commitment to Southeast Asia is less clear. The United States has never considered Southeast Asia in and of itself to be of major strategic importance; it has been valued more as an area in which to find allies against larger challengers, specifically the Soviet Union, and as a transit route to the Indian Ocean and the Middle East. The US has been disembarassing itself of obligation to the subregion's direct defence since the end of the Vietnam War. It is not clear, for example, what Washington would do in the case of a war in the Spratlys. It would probably stay out of combat -- unless involvement were necessary to protect Western (and Japanese) freedom of passage. It could, however, reserve the right to provide military assistance to countries whose claims were negated by force, something there might be deterrent value in making clear in advance. Even this would probably not be sufficient to dampen arms purchases by likely regional beneficiaries of the policy, like Malaysia and the Philippines; however, a commitment that was any stronger would be hard to justify to the US electorate and therefore might be incredible anyhow.

Taiwan is another case where US commitment is vague.<sup>9</sup> One could argue that there is deterrent value in ambiguity, especially if the intention is not to defend Taiwan. On the other hand, ambiguity may give Beijing the impression that the US is unlikely to do anything in Taiwan's support in the event of harassment from the mainland, even supply arms. If Washington is prepared to defend Taiwan directly, it should make that point clear to Beijing. "What should be avoided at all costs is the dangerous but all-too-precedented combination of pre-crisis ambiguity followed by a decision to intervene directly against attack; such a stance reduces deterrence and invites miscalculation and escalation."<sup>10</sup>

The more general (though very loose) US commitment to be a regional balancer is not particularly helpful. Does it mean, for example, that if China continues to increase its arsenal the US will increase its deployments in response? Not likely, as Japan and Taiwan are well aware. It is also rather disingenuous since, in the absence of direct challenges to American interests, domestic budget considerations rather than the requirements of a specific Asia Pacific "balance" -- in itself difficult to define -- are likely to dictate force levels in the region. If anything, a genuine commitment to balance would probably require *rising* US force levels as the capabilities of local actors increase.

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<sup>9</sup>The US policy towards Taiwan is now under comprehensive review, for the first time in 15 years.

<sup>10</sup>Richard K. Betts, "Wealth, Power and Instability: East Asia and the United States after the Cold War," *International Security*, Vol. 18, No. 3 (Winter 1993/94), p. 76.



## **Capability**

Continued forward deployment of US forces is essential to the credibility of both specific and general US commitments in the region. American military power in Asia Pacific is not in inevitable recession. Virtually all of the intended reductions in the region have already taken place, and the number of US forces exercising in the region has actually gone up in recent years. Even the loss of the Philippines bases has not been a huge blow, given the access to facilities being offered by other Southeast Asians<sup>11</sup> and the fact that modern ships deploy ready for six months at sea anyhow. In fact, with access spread more evenly around the region, the US presence in Asia Pacific should be more, rather than less, visible. Within a few years, there could be as many US military personnel in Asia Pacific as there are in Europe (about 100,000), an extraordinary shift in emphasis.<sup>12</sup> Nonetheless, US capabilities in the region are likely to be down some 20% in the mid-1990s as compared to the end of the 1980s. Because of the drawdown, the US is adopting a different operational strategy, increasingly dependent on the said access arrangements in Southeast Asia and burden sharing -- in the form of direct financial payments and battlefield support from Japan and South Korea -- in the North Pacific. The US will also rely more on highly mobile forces based in Hawaii, Alaska and the US West Coast.

Seoul and Tokyo currently support the forward positioning of forces and, with Japan willing to pay up to 75% of the basing costs and Korea one-third, it is cheaper for the US to station troops in Asia than to repatriate them. Nonetheless, by the end of the decade there could be strong pressure from Congress to "bring the boys home," especially if the North Korean nuclear deal is implemented and South-North dialogue looks like going well, a Russian threat does not re-emerge, the growth of a Chinese threat is slow, and the US-Japan economic relationship deteriorates. This is more likely to be the case if US frustration with Japan is met with reduced Japanese inclination to be the client in the US-Japan security relationship. Similarly, a continued smooth relationship with Seoul cannot be counted on as South Korea is increasingly annoyed at US reluctance to transfer defence technology (and at Washington's dealings with Pyongyang) and wants to move away from its dependence on US military power. And, since the Seventh Fleet covers US interests all the way to the Persian Gulf, a positive outcome in the Middle East peace process may precipitate a wave of withdrawals from the Pacific.

In terms of forward deployment, how much is enough? Aside from specific Korean Peninsula requirements, the US needs to maintain a large enough presence to prevent Japan from arming in an offensive way or from moving beyond the 1,000 mile limit, and to keep China (or Russia) from becoming the dominant naval power in the region. However, these are general points for which it is difficult to design a force structure. The US should keep a carrier homeported in Japan; otherwise Tokyo would be tempted to improve its force projection capabilities. Joseph Morgan recommends maintaining another in the region most of the time, which, allowing for transit time from the US West Coast, would require a total of six carriers in the Pacific. This will become difficult if the total number of carriers in active service drops below 12, something that appears increasingly likely with budget cuts. Morgan also recommends recommissioning an *Iowa*-class battleship and homeporting it in the Pacific. The ship could make frequent "show the flag visits" to allies and otherwise reassure friends of US resolve.<sup>13</sup>

## **Will**

The final element in effective deterrence/reassurance is resolve, or will, to use the capability to carry out commitments if challenged, and this is where America's Asia Pacific policy is at its weakest. The Clinton Administration has been accused of sending inconsistent and irresolute messages with

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<sup>11</sup>The Seventh Fleet support and logistics functions have been relocated to Singapore. Malaysia has agreed to use of its dockyard at Lumut for servicing US Navy vessels; Indonesia will allow US vessels access to ship repair facilities in Surabaya. Indonesia and Singapore have proposed the construction of a new air combat range on Sumatra that could be ready by 1995 and would be available to the US as well as to other regional air forces.

<sup>12</sup>There are 325,000 people in the Pacific Command, about 20% of the total US military strength as of September 1993. Of these about 98,000 are forward deployed in East Asia (Seventh Fleet, Korea, Japan, Okinawa and a small presence in Singapore). Michael A. McDevitt, "The Strategy of Pacific Command," in Michael D. Bellows, ed., *Asia in the 21st Century: Evolving Strategic Priorities* (Washington, DC: National Defense University Press, 1994), p. 153.

<sup>13</sup>Joseph R. Morgan, *Porpoises Among the Whales: Small Navies in Asia and the Pacific*, East-West Center Special Report No. 2, March 1994, pp. 45-46.

respect to Somalia, Bosnia, Haiti and even -- in the nuclear negotiations -- North Korea. The result is a growing belief that the US will not intervene militarily, even if it has the capability to do so, unless the intervention is likely to be short, has an almost certain probability of success and will result in minimal loss of American lives. When push comes to shove, Asia Pacific allies are not certain that the US can be counted on to uphold its Asia Pacific commitments, particularly if doing so would involve the deployment of US ground troops. While an element of uncertainty in this regard might still provide a deterrent to potential adversaries, it is not likely to be enough to prevent allies from arming "just in case" America does not come through.

The presumed lack of resolve comes not only from the Administration's performance elsewhere around the globe, but also from its policy on Asia Pacific. Of America's many objectives in the region, there is no doubt that Washington regards economic goals as the priority. Asia is seen as key to the economic rejuvenation of the US and economics are therefore taken to provide the rationale for Asia Pacific security policy. If Asian economies open up and become indispensable markets for US exports, the US public and Congress may indeed be more willing than otherwise to countenance a continued military commitment to the region. But there are dangers in relying on economic arguments to justify Asia Pacific security commitments; the subsidization of competitors' defence may not play well at home. As well, any Asia Pacific crisis that did not involve a direct US economic interest might not receive the attention it should. Strong economic interests do not necessarily mean that Asia Pacific will go to the top of the US foreign policy agenda -- look at Washington's dealings with Latin America.

Given Asia Pacific's geographic and population size, and its growing economic clout, one could argue that the US has a strong stake in ensuring that no other power emerges as a regional hegemon regardless of whether US economic interests are directly involved. "A China, Japan or Russia that grows strong enough to overturn a regional balance of power would necessarily also be a global power that could reestablish bipolarity on the highest level."<sup>14</sup> Asia Pacific is also of increasing importance to the US in general foreign policy terms. Without the political and economic support of key Asian countries, operations like Desert Storm or sanctions against Libya would have been much more difficult.<sup>15</sup> The Administration could make a stronger case for Asia Pacific involvement than economics, and in so doing could project a more convincing resolve. However, the case will be difficult to make, given that no predominant threat now exists in the region to provide a strong catalyst for action.

### **Managed Withdrawal**

If the United States is no longer able, or willing, to provide the same level of deterrence and reassurance that it has in the past provided in Asia Pacific, if it in fact does *not* want to become involved militarily except where American trade interests are directly threatened, how might it manage its withdrawal so that troubling arms developments are not exacerbated?

One way is for Washington to actively promote a transition to a collective or cooperative security system in the region. Such a system might, in the long run, provide a more stable foundation for constraining future Asia Pacific arms buildups than would a continuation of the present US-centred alliance system. After all, while a continued US presence might "keep Asians from each others' throats, [such a presence on its own] will not be enough to create the atmosphere of trust and cooperation that ensures true security."<sup>16</sup> Following this prescription, the US would take the lead in such things as encouraging the diplomatic settlement of the most prominent regional security disputes, promoting security dialogue and defence cooperation, and advocating arms control and confidence-building

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<sup>14</sup>Betts, "Wealth, Power and Instability," p. 74.

<sup>15</sup>See Norman D. Levin, "From Politics to Policy: American Involvement in Korean Security in a Post-Cold War, Pre-Unification, and US Democratic Party Era," in *A New Order in Northeast Asia and Korea-US Relations* (Seoul: IFANS, 1993), p. 214.

<sup>16</sup>Sarasin Viraphol, "Post-Cold War Architecture for Peace and Security in the Asia-Pacific Region," Paper prepared for the Seventh Asia-Pacific Roundtable on Confidence Building and Conflict Reduction in the Pacific, Kuala Lumpur, June 6-9, 1993.

initiatives.<sup>17</sup> Particular effort should be made to enmesh China and Japan in a stable and cooperative security framework.

As time goes on, the United States will become less and less the dominant East Asian power, and more and more simply a key player in the region's multipolar system. The circumstances demand increased precision and drive in US strategy toward Northeast Asia. America cannot long impose regional stability by its mere presence; if it wants a stable and open Northeast Asia, it will have to help organize it. And the time to begin is now, when US power and importance are high and regional states are on reasonably good terms with each other.<sup>18</sup>

The Clinton Administration has been more open to multilateralism in the region than its predecessor and a three-tiered conceptual framework seems to be enjoying support in Washington: the bottom -- or bedrock -- tier based on bilateral security relations, the second based on broad regional security dialogue in the ASEAN Regional Forum and other fora, and the third based on ad hoc groupings of countries concerned with specific problems, like North Korea, Cambodia and the Spratlys. The goal of the Administration is to develop multilateral fora for security consultations while maintaining the solid foundation of alliances.<sup>19</sup>

Aside from the obstacles to the individual elements of dialogue, defence cooperation and arms control (discussed below), it is questionable how effective the US will be at managing such a transition. It has little experience with cooperative security leadership, as opposed to the balance-of-power or hegemonic variety. Washington has yet to restore firm foundations for cooperation with Beijing following the MFN/human rights near-debacle earlier this year. It is also unclear how the US would deal with Russia -- a longtime advocate of multilateral conferences in the region -- in such a system. Already the more aggressive multilateralism displayed earlier in the Administration has foundered; a Republican-led Congress is not likely to pick up the charge. If there is any attempt at multilateral leadership, it will likely be of an ad hoc sort.

A quicker and politically easier way to minimize the adverse implications of US drawdowns in the region is for Washington to put more emphasis on allies defending themselves. There are elements of this in US policy as well. During the last months of the Bush Administration, the US offered sophisticated aircraft to Taiwan, South Korea, Japan, Malaysia, Indonesia and Thailand. In part this was due to election politicking, but there was also an element of arming the "friendlies." In its weapons transfers to the region, Washington is increasingly encouraging recipients to look at issues of interoperability with other regional forces and at the potential for force multiplication of US capabilities in contingencies. An ideal policy might involve restraints on sales to countries of concern and multilateral defence collaboration with friends and allies, in which Washington helps to identify complementary roles and missions, with their implied force requirements, and initiates intra-regional planning and procurement towards this end.

However, the US is not the region's only supplier, and Washington may have decreasing leverage on procurements (particularly in Southeast Asia) as it reduces its commitments in the region. Moreover, although arms cooperation is likely to be a key element of future US involvement in Asia Pacific, the policy thus far remains largely case-by-case without the emphasis on appropriate technologies, transparency and confidence-building which is absolutely necessary to avoid heightening suspicion between the various US allies, like South Korea and Japan. Even if the process of rearmament can be carefully managed to avoid intensifying tensions about Japan's role, there is still the problem of China and tangentially Russia. This type of strategy could backfire, by encouraging China to regard the US as an enemy and respond accordingly (although if one accepts the China as threat argument, this will happen anyhow).

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<sup>17</sup>William Tow calls such a managed transition from an Asia Pacific security system based predominantly on bilateral arrangements to a system based increasingly on more indigenous multilateral arrangements a "convergent security" strategy. William T. Tow, "Contending Security Approaches in the Asia-Pacific Region," *Security Studies*, Vol. 3, No. 1 (Autumn 1993), p. 75.

<sup>18</sup>McNaugher, "Reforging Northeast Asia's Dagger?" p. 16.

<sup>19</sup>See, for example, Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs, Remarks to Overseas Press Club/Asia Society, New York, January 18, 1994, who notes, inter alia: "We felt in terms of preventive diplomacy that regional security dialogue, beginning with this ASEAN structure but also some day in Northeast Asia, is worthwhile.... [T]here is a lot to be said, and this is our rationale, for potential antagonists sitting across the same table conveying intentions -- whether it is military budgets or territorial claims or whatever -- reducing tensions and misperceptions, over time building confidence and deterring arms races and new power alignments in Asia."

Whatever Washington does, is it too late? Asia Pacific states are already assuming that the US will diminish its commitments in the region and are buying arms for this contingency. But all are assuming that any withdrawal will be gradual and that a core US presence will remain. If the US withdrew suddenly or dramatically, there is a good chance it could lead to a real arms race, perhaps sparked by Japanese rearmament. But even this is not necessarily the case. Important as it is, US policy is not the only constraint on Asia Pacific buildups. Long-term regional security should not be predicated solely on US engagement. Already the regional bet-hedging, which the US is (inadvertently) encouraging, is leading to a *modus vivendi* among Russia, China, South Korea and Japan, which are cooperating economically and otherwise in ways that would have been unthinkable even two years ago. Regional militaries are talking to one another on a regular basis without the US being involved. One is beginning to see the seeds of a new pattern of regional relations that, in important ways, is leaving the US out.

#### IV. Defence Cooperation

Whether sponsored by the US or arrived at indigenously, increased defence cooperation -- understood to mean military forces working with one another in support of a common purpose<sup>20</sup> -- between and among Asia Pacific states could have a salutary effect on arms buildups in the region. By promoting preparedness and joint action, such cooperation could make states more confident that they, in conjunction with their cooperating partners, could better withstand potential threats. It could also reduce mistrust and tension between the cooperating states, by providing avenues for regional defence forces to familiarize themselves with one another. In addition, by encouraging the complementarity of various national forces, defence cooperation could reduce the need for each force to itself feel compelled to purchase a full kit of equipment. Defence cooperation might also alleviate the consequences of arms buildups, by making those purchases that do occur more rational and less threatening, and by reducing the likelihood of accidents and incidents. As the new Commander-in-Chief of US forces in the Pacific, Admiral Richard C. Macke, said at a press conference in Kuala Lumpur on September 19, 1994, "as we operate with each other, work with each other, and increase our military-to-military contacts, we gain a transparency of our militaries that fosters cooperation and reduces the fear of the unknown."

To date, most Asia Pacific defence cooperation has taken place bilaterally with the United States, or multilaterally under US auspices or through the Five Power Defence Arrangement (FPDA) involving Australia, Malaysia, New Zealand, Singapore and the United Kingdom.<sup>21</sup> The US Pacific Fleet has an active series of bilateral training exercises with Japan, South Korea, Thailand and Australia; it holds fewer, but significant, bilateral exercises with Canada, Indonesia, Malaysia and Singapore, as well as small exercises with the Philippines and Brunei.<sup>22</sup>

The scope for increased defence cooperation is highest within ASEAN. Already fears of a sharper cutback in the US military presence and concerns about China and Japan are prompting the growth of cooperative efforts at an astonishing rate. All the ASEANs have bilateral cooperation agreements with each other and, since 1989, the Southeast Asians have established several new bilateral exercises, including between Singapore and Indonesia, Singapore and Malaysia, Singapore and the Philippines, and Malaysia and Thailand. Malaysia and Indonesia have upgraded their all-service military exercise and Singapore has gained access to military training facilities in Indonesia.<sup>23</sup> Though still small in number,

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<sup>20</sup>While defence cooperation necessarily involves military-to-military dialogue and some sharing of information, these last can occur without moving to joint military exercises or operations, thus are discussed separately below.

<sup>21</sup>The FPDA is a loose defence agreement that commits Australia, New Zealand and the UK to "consult" together if Singapore or Malaysia are attacked and to decide measures to be taken, either jointly or separately. All agreements are bilateral (i.e. between Australia, New Zealand or the UK with Singapore or Malaysia respectively) and provide for assistance to the Malaysian and Singaporean armed forces in training and development, in operational and technical matters, and in the supply of equipment. The FPDA also manages an Integrated Air Defence System, centred in Malaysia, which coordinates surveillance of the Malayan peninsula and parts of the eastern Indian Ocean and South China Sea.

<sup>22</sup>The Western Pacific Naval Symposium (WPNS) has also adopted measures to promote defence cooperation (e.g. that navies passing through an area should give advance notice to allow opportunities for exercising together), but it lacks the organizational structure to maximize the value of the cooperation.

<sup>23</sup>Amitav Acharya, *An Arms Race in Post-Cold War Southeast Asia? Prospects for Control*, Pacific Strategy Paper 8, (Singapore: Institute of Southeast Asian Studies, 1994), p. 35.

multilateral exercises have increased in scale and sophistication, including the FPDA 'STARFISH' exercises and the Australian-initiated KAKADU exercise, featuring participation by Singapore, Malaysia and Thailand.<sup>24</sup> Beyond exercises and training, the Singaporean, Malaysian and Indonesian navies have also been cooperating in joint anti-piracy patrols.

So far, however, there has been little cooperation among ASEANs in the deployment of military units or in the harmonization of weapons systems. Even the bilateral efforts usually involve little more than basic passage exercising.<sup>25</sup> Several factors militate against a rapid or extensive increase in Southeast Asian defence cooperation, including the following.

1) *Sensitivity about external interference*

The ASEANs are very wary of anything that could be construed as a possible avenue for Western military involvement in their defence decisions, or for intelligence gathering by outsiders. Singapore, Malaysia and Indonesia reacted coolly to a mid-1992 proposal for international involvement in anti-piracy operations in the Malacca and Singapore Straits. The great importance that Southeast Asian states attach to their independence, especially in matters of national security, limits the extent of cooperation even with one another. Each mistrusts formal ASEAN-wide military coordination, fearing that it would be dominated by another. As well, Singapore, Malaysia, Thailand and the Philippines probably harbour some concern that movement towards anything that looked like an ASEAN military alliance would weaken their individual links to external guarantors (i.e. the US, Britain and Australia), which they would prefer to retain.

2) *The nature of the local maritime environment*

Unlike the high seas of the North Atlantic (whence comes most of Canada's experience with multilateral naval cooperation), Southeast Asian defence cooperation must of necessity take place in a context of contested EEZs, territorial seas and archipelagic waters. The primary concern of regional countries in such cooperation has to do with sovereign rights over littoral waters rather than with freedom of the seas.<sup>26</sup> This makes all but the most geographically specific cooperation very difficult. For example, if countries decided to mount joint patrols in the area of the Spratlys, whose laws would they apply? How would they determine whose rights had been violated in disputed areas? Even in the joint anti-piracy patrols thus far established, countries are typically not crossing one another's territorial waters, but are rather signalling to one another when trouble is suspected across the way.<sup>27</sup>

3) *Differences in military organization, doctrine and equipment*

ASEAN military forces lack standard operating procedures, speak different languages, have different logistics systems and operate widely varying types of equipment. Singapore concentrates on forward defence, Indonesia on defence in depth. Thailand has been oriented towards threats from land, Malaysia towards those from the sea. This leads to problems of interoperability and limits the complexity of joint operations.

4) *No strong threat*

With Russian forces retreating to the North Pacific, with Vietnam seeking to join ASEAN, and with China pursuing normalized relations in the region, there is no immediate, clear or common threat to prod states into cooperating with one another. Most military officers in the subregion do not see arms buildups as a matter of concern; they have some concerns about the long-run objectives of China (and India), but they think that existing disputes among themselves are irritants rather than confrontations. The absence of threat also results in tight operating budgets, which constrain the number of cooperative exercises that can be held.

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<sup>24</sup>James Goldrick, "Implications for Southeast Asia and Australia," Unpublished paper, Sydney, Spring 1993, p. 8.

<sup>25</sup>Sam Bateman, "Prospects for Dialogue and Cooperation Between Asia-Pacific Navies," Paper prepared for the Asia-Pacific Dialogue on Maritime Security and Confidence-Building Measures, Seattle, September 11-13, 1992, p. 9.

<sup>26</sup>Bateman, "Prospects for Dialogue and Cooperation Between Asia-Pacific Navies," pp. 5-9.

<sup>27</sup>The Indonesia-Singapore Cross-Border Patrol Agreement for dealing with piracy allows hot pursuit across national borders but does not allow arrest or boarding in the other's territorial sea. Dealing with piracy in Southeast Asia is further complicated by the fact that the Indonesian Navy itself is reportedly a culprit.

Insofar as they wish to move towards greater subregional defence cooperation, the ASEANs clearly prefer to move slowly, quietly and without formal institutional strictures. The emphasis in such cooperation is likely to be on reaching the goal -- be that border control, combatting piracy or preventing smuggling -- rather than on promoting military cooperation as a confidence-building measure or as means of dealing with larger external security threats. Joint operations probably offer better value than rather contrived exercises for improving understanding, but because they cut closer to the heart of security, take much longer to arrive at. Noordin Sopiee, Director General of Malaysia's ISIS, has been arguing in favour of an ASEAN coast guard -- a multilateral force patrolling the Straits of Malacca to scare pirates and to snoop on polluters but not to challenge warships -- but even this could take as long as a decade to organize, "because nobody trusts anyone else."<sup>28</sup>

A further step that would more directly affect arms buildups would be cooperation in weapons procurement, right from the research and development stage through production and service support. Escalating equipment costs provide an incentive for joint ventures: "each new generation of weapons platforms -- especially combat aircraft -- is about double the cost to acquire and operate of the previous generation....For medium-sized countries, affordable numbers of platforms will be limited and the knowledge of how to equip and prepare them for likely low intensity operations in tropical environments should be shared."<sup>29</sup> A key component of Australia's 1993 Strategic Review is the proposed extension of bilateral military relations with ASEAN countries to include joint defence planning, collective training and collaborative equipment procurement projects.<sup>30</sup> Malaysia and Brunei have signed a Memorandum of Understanding (in 1992) promoting bilateral defence cooperation that may lead to coordination on procurement. Malaysia is also studying the creation of a bilateral defence pact with the Philippines.<sup>31</sup>

In Northeast Asia defence cooperation is, if anything, more difficult to envisage than in Southeast Asia. There is no multilateral grouping akin to ASEAN to provide even a rudimentary framework for cooperation. In addition, perceptions of threat are stronger, all focused on one another. The United States could perhaps encourage defence cooperation between its regional allies, to wit Japan and South Korea, by gradually removing itself as the intermediary on such issues as controlling air space and sea lane surveillance, and in occasional joint exercises such as RIMPAC (although there are political and constitutional difficulties with Japan contributing militarily to the defence of others in the region). Drawing former enemy Russia and heretofore isolated China and North Korea into multilateral defence cooperation will be extremely hard, although some minimal bilateral cooperation -- perhaps pro forma exercises -- may result from the nascent bilateral defence talks in the region. Any US-led effort to bring these countries into regional cooperative efforts would almost certainly be met with anxiety on the part of Japan and (in the case of North Korea) South Korea, especially since it might involve compromises that would undermine these allies' security.<sup>32</sup> There is also the larger question of how much the West and its Asian allies really want to have the PLA participating in military activities abroad.

A further obstacle is countries' unwillingness to give away defence secrets. Joint naval patrols require intelligence acquisition and exchanges. Within the region, only the United States, Australia, Japan and possibly Singapore have advanced intelligence capabilities, which they are reluctant to share with others. Japan has rebuffed South Korean expressions of interest in naval cooperation on the grounds that the South Korean navy is "not as advanced" as the MSDF therefore would benefit technologically while Japan would gain nothing in return. Similarly, while the official reason for Japan's refusal to exchange

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<sup>28</sup>Sandra Burton, "What Kind of Defense?" *Time*, May 17, 1993, p. 43.

<sup>29</sup>Paul Dibb, "Focusing the CSBM Agenda in the Asia-Pacific Region: Some Aspects of Defence Confidence Building," Paper prepared for the 6th Asia-Pacific Roundtable, Kuala Lumpur, June 21-25, 1992, pp. 4, 6.

<sup>30</sup>E.g. Australia may help support Malaysia's new F/A-18s and Malaysia has been considering an Australian offer to jointly build naval patrol vessels. Singapore and Australia have a Memorandum of Understanding covering defence technology cooperation. Carol Reed, "A new place in the world," *Jane's Defence Weekly*, November 20, 1993, p. 28. To date, Australian initiatives have been bilateral, relatively modest, and trying to walk a fine line between maintaining technological secrets while trying not to intimidate others in the region with large, advanced equipment.

<sup>31</sup>*Jane's Defence Weekly*, March 19, 1994, p. 8.

<sup>32</sup>China might demand that Japan's military role be reduced or eliminated as a price for agreeing to upgrade its regional security cooperation with Washington. Tow, "Contending Security Approaches in the Asia-Pacific Region," p. 91.

ship visits with Russia is that Japan does not have enough ships to make it worthwhile, the unofficial reason is that the MSDF does not want the Pacific Fleet to know “just how good” Japanese ships are.<sup>33</sup>

Given the sensitivities within the region, one potential avenue for advancing regional defence cooperation might be in “out-of-area” operations, i.e. in regions distant from Northeast Asia, perhaps through joint peacekeeping operations under UN auspices. Japan’s experience in Cambodia was extremely useful, both in terms of presenting peacekeeping to the Japanese and in reassuring other Asians about Japan’s military conduct abroad. However, the primary purpose of such operations would have to be the task at hand -- they cannot be constructed just to promote North Pacific defence cooperation.

In short, there are considerable political and practical difficulties to moving beyond modest, informal arrangements for Asia Pacific defence cooperation, especially in the North Pacific. The sort of cooperation that is most likely to grow in the region is not necessarily “defence” or “naval” cooperation, but more broadly “maritime” cooperation, focused on increasing maritime safety, rather than security. Whether or not such cooperation is likely to have a mutual confidence-building effect that alleviates arms buildup problems is discussed below. Unlike traditional defence cooperation, however, it will probably not increase states’ confidence in their abilities to deter or defend against outside parties -- a mixed blessing in any case. For while defence cooperation might reduce arms buildups among those who cooperate, it could just as easily spur arms acquisition on the part of those left out of the cooperation. And even in Southeast Asia, there will be several left out: Vietnam, Laos, Cambodia and Burma, not to mention China and Taiwan.

## V. Dialogue

The arguments in favour of regional multilateral (or bilateral) dialogue as a solution to arms-related problems are broadly as follows.

1) *Dialogue reduces suspicion by improving mutual understanding.*

Dialogue enables countries to clarify their security concerns and to reassure one another of their non-aggressive intentions. This adds to certainty about the security environment for defence planners and reduces the chance of arms purchases based on misperception or bet-hedging.

2) *Dialogue leads to other measures.*

Dialogue might lead to -- indeed is a precondition of -- agreed confidence-building or arms control measures that directly impinge on arms buildups in the region. It also opens the way for states to voluntarily curb behaviour that others find disturbing.

3) *Dialogue helps resolve conflicts.*

Dialogue might facilitate solutions to troubling territorial and other disputes that are the conflict contingencies for which countries are arming.

While Asia Pacific security dialogue is a thriving business, it is not yet clear that existing regional dialogues will result in any of these. It is rather early to pronounce on the official venue -- the ASEAN Regional Forum and its associated Senior Officials Meeting -- which, after all, has only met once; but chances are the ARF is too large, convenes too infrequently, and deals at too general a level to produce any noticeable rise in confidence or any but the most modest confidence-building measures. There seems to be a divergence between the expectations of the Western participants and those of the Asians, both in terms of what the dialogue might achieve and how quickly it might progress. The diversity of threat perception makes it difficult to focus on key problems (many of which are in any case bilateral, or viewed as bilateral), and the preference of the states most directly involved in those problems -- e.g. territorial claims, Taiwan, the Korean Peninsula -- is to deal with them elsewhere, behind closed doors. The process will probably move slowly and will be better for discussion of Southeast Asian security issues than of Northeast Asian, although even here the ASEANs fear that others will put sensitive internal matters on the agenda. And as long as the commitment of key actors is questionable -- Washington and Tokyo are

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<sup>33</sup>The sharing of surveillance information from open sources is likely to be more easily achieved than establishment of cooperative surveillance arrangements per se.

late converts; Moscow is preoccupied with domestic problems; and China is not interested in dealing multilaterally -- other regional governments are not likely to invest much time in the process.

Other bilateral and sub-regional security dialogues are probably more relevant for handling issue- or subregion-specific concerns; they are also more likely to satisfy the Asian preference for doing things informally and privately. Examples include the South China Sea workshops (co-sponsored by Canada), the ASEAN-UN preventive diplomacy workshops (initiated by Thailand) and the recent "Track One and a Half" Australian-sponsored workshop on peacekeeping. "Track Two" fora, involving officials acting in their private capacities and academics, media and businesspeople, provide an opportunity to engage in dialogue in more detail and with more specificity, and there may be some spillover effect on policy by virtue of the involvement of public officials. As well, Track Two dialogues are a good way of launching "trial balloons" to determine what sort of further measures might be helpful and feasible.

But perhaps the most useful dialogues for achieving the first two purposes listed above are those among and between military personnel, at both high and mid levels. Small, closed military-to-military talks are more likely to provide opportunities for discussion of matters that cut to the heart of arms buildup problems, such as threat assessments, operational concepts, defence planning, exercises and weapons acquisition. They are also more likely to involve the "right" people, i.e. not just the Westernized Asians that frequent the Track Two conference circuit. Bilateral arrangements for regular discussions between defence intelligence officials now involve each of the ASEAN countries and many of the dialogue partners. There are uninstitutionalized defence dialogues between Tokyo and Seoul, Tokyo and Moscow, and Tokyo and Beijing.<sup>34</sup> Some of these -- particularly those with China -- are more showpiece than substance. In other cases, though, partners are moving fairly quickly to more substantive issues. For example, Japan and South Korea plan to hold a meeting of working level military officers to discuss coping with the nuclear and missile threat posed by North Korea.<sup>35</sup>

The "Najib talks,"<sup>36</sup> held in Kuala Lumpur in June 1993, marked the first attempt at a region-wide dialogue of defence personnel, though in practice they were attended more by civilian than military officials. The dialogue was more practically-oriented than that at the Track Two Asia Pacific Roundtable that preceded it, with agreement that the first objective should be to focus on the theory behind defence planning. In a more ambitious initiative, Japan is hosting in December 1994 uniformed officials from 13 Asia Pacific states (including the US, Russia, China, South Korea, ASEAN and Canada) at a three-week seminar on Asia Pacific security. The seminar is expected to include an exchange of information about the participants' defence policies and assessments of the regional military situation, as well as a discussion of the possibility of expanding CBMs, including reciprocal visits and advance notice and exchanges of observers of military exercises.<sup>37</sup>

While such informal dialogue is important, it should ideally be supplemented by some degree of institutionalized dialogue, which has a better chance of surviving a bad spell of political relations.

Regularly scheduled meetings and exchanges of information and views would have a better chance of continuing through periods of less tranquil political winds than ad hoc visits and meetings. They could also provide a mechanism for maintaining lines of communication when other lines have been cut by political storms and hence of ameliorating the effects of such storms on regional relations. A degree of institutionalization which included the preparation of agendas would also serve to focus and to provide some continuity to the dialogue.<sup>38</sup>

In addition, given a service interest in maintaining an adversary in order to justify new weaponry, acquisitions themselves are more likely to be dampened if military-to-military talks are somehow

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<sup>34</sup>These last, resumed in 1993 after being suspended post-Tiananmen, involved only foreign ministry officials in 1993 but are in future expected to involve defence officials as well. The Japanese Defense Agency is inviting Chinese Defence Minister General Chi Haotian to Japan to promote exchanges of military officials. *Japan Times*, October 26, 1994, p. 2.

<sup>35</sup>The meeting was proposed by Japan. *The Korea Times*, Sept. 25, 1994, p. 2.

<sup>36</sup>Named after Malaysian Defence Minister Datuk Seri Mohammed Najib bin Tun Abdul Razak who in April 1992 stunned his compatriots by announcing that Malaysia was willing to host the first of a proposed series of Asia Pacific security dialogue meetings to which each participant "could send a delegation made up of various representatives of their security [i.e. defence] agencies, both military and civilian."

<sup>37</sup>*Asahi Shimbun*, March 8, 1994, p. 1.

<sup>38</sup>Desmond Ball, "Arms and Affluence: Military Acquisitions in the Asia-Pacific Region," *International Security*, Vol. 18, No. 3 (Winter 1993/94), p. 109.



connected to political dialogues. The ARF's value might increase if it and the SOM were paralleled by regular meetings of Defence Ministers and Chiefs of Staff.

In general, though, the worst regional sores will not be salved by dialogue alone. And, where arms are being bought for reasons unrelated to threat perception, dialogue may make it easier for countries to continue buying at the same rate by giving them a public forum in which they can explain away their purchases. Already each ASEAN tends to argue, with respect to the others, that "they know what we're buying and why we're buying it, so why should they worry about it?" Much of the purported value of dialogue (and CBMs) depends on how far each country's assessment is based on inaccurate perceptions that can be corrected. Dialogue may just as easily confirm suspicions and demonstrate to a potential victim the need for rapid action to reduce vulnerability -- a useful purpose, but not one that reduces arms buildups. Part of the regional concern regarding China stems precisely from the discrepancy between its peaceable words in regional dialogues and its perturbing actions, like the February 1992 law on claimed territories and the quest for an aircraft carrier.

This is not to discount the value of dialogue. By providing opportunities for participants to understand one another's outlooks and intentions, the ARF -- and the myriad other multilateral dialogues -- may help to build a cooperative political climate over the long term. They have the potential to introduce China to a cooperative approach to security and to anchor Japan in the same. They also provide forums in which partners that would be unlikely to talk to one another bilaterally can address each other. In fact, it may be easier to bring some very tough problems -- such as the Korean Peninsula and the Northern Territories -- to a (small) multilateral table, where confrontation can be defused and other affected actors can offer expertise or money to sweeten the pot for agreement, than to an acrimonious bilateral forum. Multilateral fora can affect the dynamics of interaction, by putting more pressure on each party to behave.

Whether the dialogues have much relevance to the continuing arms buildups in the region will depend on whether they help to generate a change in security perceptions that provides the initial climate suitable for a "transformational" process of confidence-building.<sup>39</sup> While regional security dialogue should generally be supported, there are cases where it can become counterproductive, namely: if it becomes pro forma, filled with set-piece papers rather than a genuine exchange of views; if the process of tinkering with institutional structures becomes an excuse for not dealing with dangerous issues; if there are so many dialogues taking place that energy is drained from the really useful ones. It is not hard to envisage a coming decade of continued security dialogue and continued arms buildups, neither seeming to have much to do with the other. But even this may be a necessary step. After all, it took the CSCE 15 years -- from 1975 to 1990 -- to develop formal institutional structures for conflict prevention and management, and even these are still in their fledgling stages. This is not to suggest that the ARF is a potential CSCA, but rather that consensus-based multilateral security processes take a long time to evolve.

Too much should not be expected from the dialogue process in terms of agreed solutions to security problems, at least through the rest of the decade. The task for the near term, as Mahathir bin Mohamad stated more than a decade ago with respect to regional dialogue on economic cooperation, is "the tedious one of getting to know each other." It could well take more than a decade for the developing dialogue processes within the region to produce sufficient mutual understanding, confidence and trust for resolving or managing substantive regional security issues.<sup>40</sup>

## VI. Confidence-Building Measures

Confidence-building refers both to the psychological process by which misperceptions and concerns about others' military capabilities and intentions are reduced and to the specific measures that

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<sup>39</sup>I.e. a process that facilitates fundamental transformations in perceptions of threat and hostility in security relations. See James Macintosh, "Confidence Building Evolution in Europe: Static or Portable?" Paper prepared for the Workshop on Arms Control in the North Pacific: The Role for Confidence-Building and Verification, Victoria, February 25-27, 1994.

<sup>40</sup>Ball, "Arms and Affluence," p. 109.

bring about such a reduction. While the best definition may be “a total tautology: anything that builds confidence is a confidence-building measure,”<sup>41</sup> CBMs or CSBMs are typically thought to involve the generation of reliable information about the nature and use of military force. A major goal of CBMs is to lower uncertainty in strategic perceptions.

The psychological process by which CBMs lead to an improved inter-state political and military climate is not clearly understood. There is no theory to account for the generation of “confidence” as a result of increased information flow; “confidence-building” might be the result of an improvement in political relations rather than a cause.

The mere fact that a collection of measures intended to reduce suspicion is adopted by a group of States does not mean that a subsequent improvement in the region’s political environment is causally related to the adoption of the measures. The improvement can be coincidental or the adoption of the measures and the improvement in the political environment can be part of a larger, more intricate phenomenon.<sup>42</sup>

Recent research suggests that the growth of confidence is intimately tied to a larger process of transformation in fundamental perceptions of threat, rather than to CBMs per se. Without such a transformation in perceptions of threat, it is difficult to see how CBMs can accomplish anything positive. The key -- and unresolved -- question is what role, if any, CBMs play in causing transformations in threat perception at the national level.<sup>43</sup>

It is generally agreed that the most-cited example of regional confidence-building, namely the Helsinki-Stockholm-Vienna Document CSBMs applied amongst CSCE participating states contributed -- albeit in arguably limited fashion -- to the reduction of NATO-Warsaw Pact tensions and set the stage for negotiation of the Conventional Armed Forces in Europe and Open Skies Treaties and of possible further measures.<sup>44</sup> The CSCE confidence-building process was aimed more at combatting the adverse effects of arms buildups rather than the buildups themselves. The Helsinki CSBMs aimed at inhibiting the political exploitation of military force and at reducing the danger of surprise attack; the Stockholm CSBMs were designed to reduce the danger of conflict due to misunderstanding or misinterpretation of the movements of armed forces. This notwithstanding, there is no a priori reason for believing that CBMs could make no useful contribution to curbing arms buildups.

With respect to Asia Pacific arms buildups, CBMs could have any of several general aims:

- 1) to increase parties’ confidence in their ability to detect troublesome arms acquisitions early enough to make an appropriate response;
- 2) to increase parties’ confidence in other parties’ intentions not to procure worrying systems, as well as their confidence in the absence of any attempt to do so;
- 3) to increase parties’ confidence in the non-confrontational and non-aggressive intentions of other parties, and thus reduce the perceived need to build up arsenals. This assumes that arms buildups are driven primarily by immediate military security concerns;
- 4) to minimize the likelihood of inadvertent escalation in a crisis; and
- 5) to reduce the scope for military intimidation in peacetime.

CBMs could achieve these aims by providing credible evidence of the absence of troubling arms buildups, by providing opportunity for the prompt explanation of worrisome activities, and/or by restricting the opportunities available for acquiring and deploying destabilizing systems.

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<sup>41</sup>Lynn Marvin Hansen, “The Evolution from Transparency to Constraint,” in *Confidence and Security-Building Measures: From Europe to Other Regions*, Disarmament Topical Papers 7 (United Nations: New York, 1991), p. 60.

<sup>42</sup>James Macintosh, “Confidence- and Security-Building Measures: A Sceptical Look,” in *Confidence and Security-Building Measures in Asia* (New York: United Nations, 1990), note, p. 95.

<sup>43</sup>The transformation view argues that pursuing, developing, and implementing confidence building agreements -- by its nature -- can alter the way leaders, policy makers, and publics see potentially hostile neighbours, although conditions must be right for this to occur. These changes in perception can manifest themselves in a fundamentally altered security relationship...Efforts to develop confidence building agreements when the initial conditions are inappropriate and/or when the nature of the process is imperfectly understood can lead to disappointing or even dangerous results because transformation is not imminent.” Macintosh, “Confidence Building Evolution in Europe: Static or Portable?” p. 3.

<sup>44</sup>There is no clear, direct connection between the CSBM agreements and force reductions in Europe. CFE was more directly tied to political revolutions in the USSR and Eastern Europe. However, it is difficult to imagine how force reductions could have preceded CBMs in the East-West context. See Richard E. Darilek, “East-West Confidence-building: Defusing the Cold War in Europe,” in Michael Krepon, Dominique M. McCoy and Matthew C.J. Rudolph, eds., *A Handbook of Confidence-Building Measures for Regional Security* (Washington, D.C.: Henry L. Stimson Center, September 1993), p. 27.

As evidenced by the Stockholm Document and the Israeli-Egyptian Sinai Disengagement Agreement, regional CBMs -- to be successful -- do not necessarily have to await the emergence of cooperative political relationships. In fact, a high degree of mutual hostility, suspicion or fear may make CBMs more, rather than less, important. However, participants should have some interest in improving their relationship or, at minimum, in promoting regional stability. CBMs are not designed to cope with states that plan to resort to force.

The above is not to suggest that CBMs only have value between actual or probable adversaries. They can also be used to strengthen the peace between new or tentative friends, to broaden and deepen existing patterns of cooperation, and to make positive developments as irreversible as possible. This may be the greater role for CBMs, particularly within Southeast Asia, where there is no single defined threat but rather lingering suspicion and uncertainty.

### **Transparency**

The fact that Asia Pacific arms buildups are not primarily threat-driven has led to disjunctures between individual states' force structures and their strategic assessments. This in itself is likely to cause tension and prompt continued arms buying if countries are not certain why their neighbours are acquiring particular weapons systems; they will base their planning -- necessarily worst case -- on the visible force structures, untempered by considerations about why those force structures might exist. Transparency about the motivation behind current acquisition programs, as well as about their long-range objectives, might reduce the probability of reciprocal acquisitions, of incidents based on miscalculation, and of inadvertent escalation. Transparency might also help to curtail some of the more questionable corruption-, prestige-, or prosperity-driven purchases by making governments feel that they have to justify major acquisitions in the eyes of their neighbours. In cases where arms buying *is* based on perceptions of threat, increased transparency could reduce the pace and scope of acquisition by assuring governments that other countries do not possess the capability to launch a major assault against them without obvious preparations.

There are three broad types of military information about which countries can be transparent: (1) military spending and force structure; (2) military planning; and (3) military activities. Into the first category would fall details of defence budgets, weapons holdings and procurements (current and planned), and force organization. Into the second, security perceptions, threat assessments, defence doctrines, strategies and operational concepts. Into the third, military training, exercises, operations and deployments.

The first category is probably the easiest for countries to be transparent about, since the information is already typically available from public sources such as Jane's and the IISS, although states might be reluctant to divulge the characteristics of particular weapons and they might be reluctant to reveal force structure (since this could make embarrassingly clear just who they think the enemy is). Transparency in the second category might be most useful in terms of reconciling structures with assessments and in helping long-range security planning; it is, however, next to impossible to verify and states would be reluctant to reveal contingency plans to meet specific circumstances. States will usually be most reluctant to share information about the third category, especially the location of critical stocks of major weapons and operational military deployments. Forward-looking transparency (information about what states are planning to do) would probably be more helpful than static (what states are already doing). But this would be hard to implement and would raise questions about the credibility of information provided. Even if the information were considered credible, how relevant are today's intentions in a case like China, where radical political change is expected within the next decade?

There are many ways of being transparent, some requiring more cooperation than others. At the most basic level, countries can unilaterally, or reciprocally, publish information; for example, they can report to the UN Arms Register and to the UN report on military budgets, provide advance notification of military exercises, and publish defence white papers or similar documents that provide information about

acquisition programs and force structures in a way that links them to a strategic analysis.<sup>45</sup> Beyond this, countries can explain acquisition programs and share strategic perceptions by briefing defence attachés or by exchanging delegations of defence officials. Requiring still more cooperation, countries can arrange for foreign defence officials to inspect military installations or to observe military exercises.

A common proposal for enhancing region-wide transparency is to build on the UN Arms Register, by agreeing to report to one another information that is more comprehensive and more relevant to the Asia Pacific context.<sup>46</sup> There is certainly room for improvement. As currently structured, the UN Register's categories (based on those of the CFE Treaty) are so broad that most states in the region can report nil: only major weapon systems, not subsystems, components, dual-use items or small arms, are registered. For example, *Harpoons* and *Exocets* do not have to be reported. In addition, the particular models or types of equipment do not have to be listed, although there is a "comments" section that states can use for this purpose if they desire.<sup>47</sup> Only arms transfers, not procurement from domestic sources, has to be reported, thus placing an unequal requirement on states that rely primarily on arms imports; as well, existing holdings are left out, making it impossible to gauge a state's total force strength even in the categories covered by the Register. Finally, since the data apply only to arms that have already been delivered, the Register cannot give an early warning of worrisome developments.

However, it is doubtful that Asia Pacific states would agree to go much beyond what has already been agreed at the global level. Four Asia-Pacific states (China, North Korea, Burma and Singapore) abstained on the First Committee resolution leading to establishment of the Register, although they supported the resolution in the final General Assembly vote. North Korea, Thailand and Taiwan did not report to the Register in 1993 (covering calendar 1992). Hardly any Asia Pacific states provided background information or voluntary reports on procurement. Reporting to the Register is down considerably for calendar 1993, reflecting the diminishment of political will to address conventional arms buildups.

This rudimentary reporting to the UN Register hints at some of the problems attendant on increasing Asia Pacific military transparency. Transparency is not the norm in the region for several reasons. Most regional states regard transparency as a form of intelligence-gathering that could just as easily endanger security (by revealing one's weaknesses and therefore undermining deterrence) as promote it.<sup>48</sup> Many regional countries, especially in Southeast Asia, maintain very limited stockpiles of some critical weapons systems; they fear that revealing to outsiders the quantity of those stocks could seriously undermine the credibility of their defence postures. If asked whether they would prefer to have other countries act on the basis of "what they think you have" or on the basis of "what you actually have," most Asia Pacific countries would respond with the former.

There is also a claimed Asian cultural inhibition regarding transparency, stemming from the value attached to preserving "face." As well there are domestic inhibitors on transparency. In many Asia Pacific countries the military does not allow the government to release defence-related data to its own public; often the information in question is not available to other government departments, including the foreign ministry.<sup>49</sup> Even where the military is not in a dominant government position, the defence industry is very reluctant to release information, which can be commercially or (because of corruption) politically

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<sup>45</sup>Currently in the region only Australia, Japan, New Zealand, South Korea and Thailand publish defence white papers. In an attempt to build confidence, Australia took this one step further by sending officials around Southeast Asia to explain the latest version of *Australia's Strategic Planning in the 1990s* while the document was still in the drafting stages. See Roger Uren, "Enhancing Confidence in the Asia-Pacific Region: Transparency in Defence Policies and Military Acquisitions," Paper prepared for Seventh Asia-Pacific Roundtable, Kuala Lumpur, June 6-9, 1993, p. 5, who discusses this and other methods of transparency.

It has been suggested in various Track Two dialogues that regional countries should agree to standardize the contents of defence white papers. This is probably a non-starter, since it would be difficult to obtain agreement on *whose* paper to standardize on (particularly since white papers are used as much for domestic as external purposes, to justify certain purchases and force structures).

<sup>46</sup>E.g. Malaysian Defence Minister Najib proposed in April 1992 the creation of a regional arms register to supplement the UN regime.

<sup>47</sup>In its 1993 report, even the United States did not report types of aircraft, despite the fact that such information is widely available in the US and had already been publicly disclosed by the government.

<sup>48</sup>The very word "transparency," when translated into regional languages, implies "nakedness" or "vulnerability" to some. It might be better for would-be regional confidence-builders to refer to "exchanges of military information."

<sup>49</sup>This reportedly caused problems with Thailand submitting data to the UN Arms Register.

sensitive, or may reveal a unsystematic defence planning process and thereby focus attention on procurements that are not easily justifiable.

Another excuse for avoiding transparency, particularly among the ASEANs, is the argument that they already know what the others have. For example, when Singapore proposed to Malaysia a few years ago a mutual inspection of military installations, Malaysia responded that there was little point in the inspection, since relations between the two states were already good and neither would learn anything they did not already know. There is little conviction in the region that the cooperative *process* of information-sharing can -- under the right conditions -- be just as important in promoting confidence as the information itself.<sup>50</sup>

There are signs that regional policymakers are becoming more receptive to the idea of transparency. In October 1992, Indonesian Foreign Minister Ali Alatas argued that "greater transparency in military arrangements pertaining to the region could be effected through regular exchange of data among the major powers on their respective military budgets, doctrines and future force projections," and called for the invitation of observers to military exercises.<sup>51</sup> The ASEAN PMC Senior Officials Meeting in May 1993 in Singapore discussed "exchanges of information among defence planners [and] prior notification of military exercises."<sup>52</sup> A December 1993 memo by ASEAN-ISIS called, inter alia, for the publication of defence white papers, a Southeast Asian arms register, the exchange of intelligence information, and the exchange of information about and a comparison of estimates of military strengths.<sup>53</sup> This growing affinity for transparency within ASEAN -- at least at the rhetorical level -- is driven in part by a desire to divine Chinese intentions. It is difficult for Southeast Asians to argue that China should become more transparent when they themselves are not notably so. Even Beijing is becoming more sensitive to the need for transparency and has, in Track Two dialogues and government-to-government contacts, tried to allay concerns about jumps in the PLA's budget by explaining that much of the increase is absorbed by salaries.

The culture of military secrecy may begin to erode as more military personnel are brought into Track Two and official dialogues, which have tended thus far to be the purview of foreign ministries. The result could be increased unilateral transparency (e.g. the publication of defence white papers) and even some regional transparency CBMs, like a regional arms transfer register. In addition to possibly smoothing the way for further cooperative efforts, such measures could provide some limited assistance in tracking arms buildups. For example, the first report of the UN Arms Register (with respect to calendar 1992) made public a surprising amount of new information. Significantly more transfers were reported than had been identified by SIPRI and the IISS, especially with respect to land systems. Since nearly all major exporters reported, the register was able to provide a lot of information about the acquisitions of non-reporters like Thailand and Taiwan.<sup>54</sup> Regionally-based moves towards transparency could also improve the ability of civilian governors (e.g. foreign, rather than defence, departments), national legislatures and the general public to scrutinize arms acquisitions and transfers more effectively, thus perhaps encouraging governmental restraint.

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<sup>50</sup>Even in Europe, CBMs do not play the role of a major intelligence source, since most data available through CBMs is also available from national technical means, and any timely information gained through CBMs is verified through traditional intelligence systems. Alexei V. Zagorsky, "North-East Asian Security- and Confidence-Building, in *Confidence-Building Measures in the Asia-Pacific Region*, Disarmament Topical Papers 6 (New York: United Nations, 1991), p. 89.

<sup>51</sup>Ali Alatas, "The Emerging Security Environment in East Asia and the Pacific: An ASEAN Perspective," Address before the National University of Singapore Society, October 28, 1992.

<sup>52</sup>Acharya, *An Arms Race in Post-Cold War Southeast Asia?* p. 45.

<sup>53</sup>Acharya, *An Arms Race in Post-Cold War Southeast Asia?* p. 46.

<sup>54</sup>Malcolm Chalmers and Owen Greene, "The Development of the United Nations Register of Conventional Arms: Prospects and Proposals," *The Nonproliferation Review*, Vol. 1, No. 3 (Spring-Summer 1994), p. 3. While Chalmers and Greene propose a number of improvements to the Register, including agreement on a common list of systems covered (to reduce the potential for misinterpretation of rather ambiguous guidelines), they argue that increasing the number of weapons categories covered by the Register (a common proposal, especially in regional contexts) is not necessarily advisable. More categories would require more administrative effort and could reduce the (already limited) national resources available to ensure that correct data is supplied for the categories that matter most. Also, if changes occur too often in the Register's category definitions, it may become difficult to discern trends over time. Finally, if too much detail is asked for, the level of participation could decline.

Bilateral and multilateral agreements to increase transparency will probably be informal rather than formal, at least initially, in part to satisfy the desire not to lose face: states will be reluctant to sign documents they may not be able to live up to. The necessary intelligence element will probably lead to the sharing of information states think others already have, which is not necessarily a bad thing. In the early stages of confidence-building, the specific details of the information being shared matter less than the fact that countries are sharing the information by mutual agreement. An important lesson from the confidence-building process in Europe is that “breaching the wall of secrecy that adversaries tend to erect around their military establishments and activities was the single most important contribution made by initial CBM agreements,” and was, in effect, a sine qua non for further progress in the field of CBMs.<sup>55</sup>

Even if transparency progresses by leaps and bounds over the next five years, it should not be regarded as a panacea for problems resulting from Asia Pacific arms buildups. Although there is little formal transparency among them, the ASEANs already have a fair idea of what the others are up to, and it is not always reassuring. Transparency does not build mutual confidence in cases where governments harbour aggressive intentions. In certain situations, transparency could stimulate the acquisition of arms by states eager to redress what they perceive as military imbalances. In this case, more information might help stability, but it will not prevent buildups.

In addition, it will be difficult to encourage transparency in some of the most problematic cases, e.g. Burma, North Korea, and China.<sup>56</sup> There is the precedent of US-Soviet transparency in hostility, but this was a fairly unique bilateral case in which both countries had national technical means to confirm the exchanged data; transparency was largely a test of good faith, rather than an attempt to learn anything new. The situation in Asia Pacific is more akin to Europe during MBFR, which was hung up for years on the issue of data exchange and required a political revolution before progress could be made in the form of CFE.

### **Defensive Restructuring**

Countries would presumably worry less about arms acquisitions if those acquisitions were clearly for defensive purposes. The adoption of “defence-dominant” or “non-provocative” force structures would be one CBM Asia Pacific countries could unilaterally take to reassure their neighbours that they have no aggressive intent. A defence-dominant structure is one that has powerful defensive capabilities but very weak forces for offensive operations; it relies on “deterrence by denial” rather than “deterrence by punishment.”<sup>57</sup> However, the emphasis on strategic depth or forward defence in many regional states’ planning (e.g. in China and ASEAN) makes a defence-dominant posture difficult to define.<sup>58</sup> Japan already maintains a defensive posture, and others in the region still worry. In addition, the adoption of a non-provocative posture today is no guarantee against future restructuring. But, if nothing else, an increase in defensive postures -- particularly in combination with other CBMs like exercise notification -- would reassure states that other countries do not possess the capability to launch a major assault against them without obvious preparations. A change in posture could be regarded as a clear warning signal. Defensive restructuring would not necessarily reduce arms buildups, but it could make them less worrisome.

### **Norms and Principles**

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<sup>55</sup>Darilek, “East-West Confidence-building: Defusing the Cold War in Europe,” p. 27.

<sup>56</sup>The Russians have reportedly been trying to convince the Chinese to be more transparent about their arms purchases, but even they are finding the effort frustrating. China is more secretive than the USSR ever was.

<sup>57</sup>See Andrew Mack, *Arms Proliferation in the Asia-Pacific: Causes and Prospects for Control*, Working Paper 1992/10 (Canberra: Department of International Relations, Research School of Pacific Studies, Australian National University, December 1992), p. 22.

<sup>58</sup>In Asian thinking, concepts of offense and defense are both fungible and complementary, rather than alternative strategies. See Desmond Ball, “Strategic Culture in the Asia-Pacific Region,” *Security Studies*, Volume 3, Number 1 (Autumn 1993), pp. 48-49. Also, “[i]f another country of similar size, military strength, and economic power is the adversary, true coastal defense is feasible. If the enemy is a superpower, capable of launching cruise missiles from several hundred miles away, an effective coastal-defence navy must also be able to carry out offensive operations over a large area.” Morgan, *Porpoises Among the Whales*, p. 17.

Another potential CBM is the development of agreed rules, principles or codes of conduct governing arms acquisition and the threat or use of force.<sup>59</sup> Examples of such norms could include undertakings not to introduce more advanced weapons, new military technologies or destabilizing weapons into the region and not to acquire more weapons than necessary for self-defence purposes. Such paper commitments, in which virtually every word is open to interpretation and to which all states could make a case they were adhering, are not as hollow as they might seem.

First, the ability to articulate the underlying norm consensus in a clear and non-contradictory fashion is a critical element in ensuring that various non-proliferation regimes that are constructed are internally consistent and not subject to unresolved internal tensions. Second, diplomatic discussion of the norms will highlight basic disagreements that need to be resolved or clarified before progress can be made in constructing robust non-proliferation mechanisms. Third, such discussions will dictate some of the limits or trade-offs that are necessary to construct politically acceptable verification/compliance monitoring mechanisms.<sup>60</sup>

In addition, agreement on norms can help to symbolize the transition to a more cooperative relationship and can provide regional states with a basis for questioning disturbing behaviour on the part of other signatories. The danger arises when norms are used not as standards to hold others up to but as excuses for foot-dragging or complacency. One must consider whether negotiators' time and limited political capital is best spent on this or on more concrete measures.

### **Maritime Safety**

Since there is no overwhelming threat or pressing danger to galvanize either Asia Pacific defence cooperation or Asia Pacific arms control, it has been suggested that regional confidence-building should begin with cooperation in areas that benefit civilian safety rather than military security strictly understood, particularly at sea. It should be far easier to find commonalities of interest in such things as safety of navigation and protection of the marine environment than in joint contingency planning, which requires a shared "enemy," or in restrictions on procurement, which cut to the quick of sensitivities about sovereignty. There may be an advantage in establishing habits of dialogue and cooperation in non-military areas, and then exploiting these to deal with more traditional security issues, such as the protection of seaborne trade.<sup>61</sup>

The types of maritime (as opposed to naval) CBMs under consideration include cooperation in: navigational safety (e.g. hydrographic surveys, navigational aids and traffic monitoring systems);<sup>62</sup> prevention and containment of marine pollution;<sup>63</sup> scientific research; meteorology; disaster relief; search and rescue; maritime surveillance;<sup>64</sup> law enforcement (e.g. to combat piracy, smuggling, illegal immigration, illegal fishing and illegal waste dumping); and mine-sweeping.<sup>65</sup>

The high monetary costs to coastal states of unilaterally undertaking these initiatives provide an incentive for cooperation. As well, illegal activities and pollution are no respecters of national boundaries

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<sup>59</sup>The Treaty of Amity and Cooperation in Southeast Asia (1976) already provides these to an extent for the ASEANs, insofar as it endorses principles governing relations between friendly, peace-loving states. As a result of 1987 amendments, the Treaty is open for accession by those outside Southeast Asia.

<sup>60</sup>Keith R. Krause, "The Compliance and Verification Aspects of Proliferation: An Action Plan for Policy-Relevant Research," in *Non-Proliferation in All its Aspects: Verification of Compliance Effectiveness*, Workshop Proceedings (Toronto: York University Centre for International and Strategic Studies, December 1992), p. 93.

<sup>61</sup>See Sam Bateman, "Prospects for Cooperation and Dialogue," Paper prepared for a Seminar on Maritime Power in the China Seas -- Capabilities and Rationale, Canberra, May 7, 1993, p. 19, for a good presentation of this argument.

<sup>62</sup>A major area of concern is the Malacca and Singapore Straits, where a combination of high traffic density and difficult navigational conditions have resulted in an increasing number of incidents, collisions and groundings in recent years. Sam Bateman, "Maritime Developments in the Western Pacific -- Implications for Australia," Address to the Australian Institute of International Affairs of Queensland, Brisbane, May 20, 1993, p. 9.

<sup>63</sup>In September 1994, South Korea, Japan, China and Russia adopted their first intergovernmental agreement on preserving regional waters. The North West Pacific Action Plan (NOWPAP) will designate priority projects to improve water quality in the Sea of Japan (e.g. establishment of a database, environmental surveys and development of joint projects for monitoring and preventing pollution).

<sup>64</sup>Australia and Indonesia have already (in 1991) established a bilateral maritime surveillance regime known as the Zone of Cooperation in the Timor Sea.

<sup>65</sup>For example, a joint Singaporean-Malaysian-Australian effort to sweep the Malacca Straits has been proposed. The objective would be to find out what metallic objects are already on the bottom, so that during a crisis it would be easier to identify any newly-deposited objects and determine whether they might be mines.

and can only be effectively combatted through joint efforts. In 1992, there were 106 reported piracy or attempted piracy cases worldwide, of which 73 occurred in Southeast Asia, including seven in the Straits of Malacca. In the first five months of 1993 (with the above-mentioned subregional anti-piracy cooperation in effect), there were 31 incidents worldwide, of which only one was in Southeast Asia.<sup>66</sup> In Northeast Asia, Japan, South Korea and possibly even Russia might consider cooperative anti-piracy efforts, since all have been victims of Chinese piracy -- although this might bring the issue to a head, which these states want to avoid doing. But such a regime could improve maritime surveillance in a cost-effective way and would demonstrate the preparedness of regional countries to act together to ensure their security.

The key question is whether cooperation on such small "s" security issues leads to mutual confidence in the military area and ultimately helps to prevent dangerous arms buildups. This may depend in part on the level at which cooperation occurs; if it is among marine scientists, police forces or coast guards, the "trickle up" effects to the military and political levels are likely to take longer than if the cooperation is among navies per se. Even if the cooperation is among navies, the benefits may just be confined to the ship-to-ship level. In addition, the closer states get to direct naval interaction, the more they run into the difficulties discussed under defence cooperation, particularly jurisdictional problems and areas where interests diverge, such as illegal fishing and migration. Also, the assumption that it is relatively easy to engineer cooperation on non-military issues is not necessarily true. Practitioners have found it extremely difficult to try to build common programs in oceanography and hydrography in the Western Pacific.<sup>67</sup> The meetings to establish the North West Pacific Action Plan nearly fell apart due to disagreements over what to call the Sea of Japan in the accord.

Still, relatively innocuous measures in non-contentious areas have the potential to lay the basis for further interaction in areas more directly related to military security. For example, the Western Pacific Naval Symposium<sup>68</sup> has agreed to jointly develop a Maritime Information Exchange Directory, whereby participating navies will share information on such things as maritime pollution, piracy, fisheries infringements, narcotics trafficking and humanitarian concerns. The Directory will include formatting styles, addresses for reporting information and agreed means of communication (i.e. specific radio frequencies). "The development of common procedures for communication between regional navies and vessels provides a capability the significance of which for regional confidence-building obviously far transcends the particular purposes of the Directory itself. Similarly, the process of reaching agreement between naval staffs on the priority areas for information reporting will enhance regional appreciation of particular national concerns and interests as well as increase the understanding of navies at the working level."<sup>69</sup>

A possible catalyst for dialogue and cooperation in the maritime sphere is the UN Convention on the Law of the Sea, which has only just entered into force. Many of the UNCLOS provisions lack clarity, particularly those pertaining to the regimes of innocent passage and straits transit and archipelagic sea lanes passage.<sup>70</sup> Common understanding and acceptance of these rules are a basic prerequisite of operational cooperation between regional navies. Clarification of the UNCLOS provisions could help with the incidents and accidents aspect of arms buildups and could contribute to a stable maritime regime in which countries would not feel compelled to acquire comprehensive maritime forces.<sup>71</sup> Nonetheless,

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<sup>66</sup>*New Straits Times*, June 10, 1993, p. 1. The reduced number of piracy incidents could also be due to better anti-piracy measures adopted by the merchant ships themselves, e.g., doubling lookouts while passing through high risk areas and hanging security lights over ships' sides. Bateman, "Maritime Developments in the Western Pacific -- Implications for Australia," p. 7.

<sup>67</sup>Ed Miles in Charles A. Meconis, ed., *Asia-Pacific Dialogue on Maritime Security and Confidence Building Measures*, Transcript of Proceedings, Seattle, September 11-13, 1992, p. 49.

<sup>68</sup>The WPNS, a biennial conference initiated by the Royal Australian Navy in 1988, brings together representatives of the navies of Australia, New Zealand, the ASEANs, the United States, Japan, South Korea, China and Papua New Guinea for a frank exchange of views on a wide range of issues, including UNCLOS and SLOC protection.

<sup>69</sup>Desmond Ball, "The Post Cold War Maritime Strategic Environment in East Asia," Paper prepared for a Conference on Maritime Power in the China Seas: Capabilities and Rationale, Canberra, May 7, 1993, p. 39.

<sup>70</sup>For example, does the right of innocent passage apply to all ships, including warships?

<sup>71</sup>Bateman, "Prospects for Dialogue and Cooperation Between Asia-Pacific Navies," p. 15.



given conflicting state practices on issues of passage, UNCLOS could unleash as much disagreement as agreement in the region, particularly with the United States, which has not adhered to the Convention.

### **Military Exchanges**

Military exchanges, such as reciprocal port visits, fall somewhere in between dialogue and defence cooperation. Their purpose is to improve goodwill and to increase mutual understanding through personal contact. Reports of participants engaged in such measures laud them for putting a “human touch” on a previously faceless and often antagonistic military relationship. Within ASEAN, there are a lot of bilateral exchange activities, through such avenues as joint training and senior officers attending one another’s staff colleges. In the North Pacific, there is also growing contact, although still at low levels. The relationship with the US makes it difficult for Japan and South Korea to go too far in this direction, say, in cooperating with Russia or China. In the spring of 1994, South Korea signed Memorandums of Understanding with both Russia and Japan providing for exchanges of military personnel in 1994-95. This paved the way for the visit of three Korean Navy ships to the port of Yokosuka in Japan and then to Novorsisk in Russia.<sup>72</sup>

Although military exchanges help to a certain extent, especially in forming the opinion of officers at lower and middle ranks, they do not seem to have much impact on political relationships.<sup>73</sup> They may help more in making sure that the people in regional defence communities have the proper contacts to provide a basis for communication and cooperation in the event of looming crisis. But the informality and irregularity of the arrangements to date is unlikely to provide a sound enough foundation for either enhanced deterrence or enhanced confidence.

### **Notification and Observation**

Borrowing a page from the European CBM handbook, it has been suggested that Asia Pacific states should give their neighbours advance notification of major military exercises (at sea as well as on land), movements of large naval formations and transfers of troops to border areas, and should invite representatives of other states to observe such activities. Indonesia has even proposed that countries should reduce the frequency and size of their military exercises.<sup>74</sup>

States can be alarmed by the appearance of large numbers of troops or ships conducting manoeuvres, especially near their borders. Advising one another of planned military activity in advance could provide reassurance that exercises or close sail-bys are not threatening and could prevent potentially dangerous misunderstandings such as occurred when a 1991 Indonesian-Malaysian exercise near the coast of Johore on Singapore’s National Day caused Singapore to put its forces on alert.<sup>75</sup>

While unilateral and informal bilateral or subregional undertakings to notify exercises in advance are easy to envisage, negotiation of a notification CBM -- even bilaterally -- is more difficult. A requirement to notify activities in advance could limit states’ flexibility to undertake unnotified manoeuvres in response to a crisis. If the notification regime allowed normally-notifiable activities to take place without notification, the point of having a negotiated measure decreases. Even if not a violation of the agreement, conducting an unnotified manoeuvre would raise concerns among other parties and could reduce confidence --- even though the manoeuvre might be in response to activities of a state not party to the agreement. In Europe, negotiators opted to reduce military forces rather than to accept restrictions on what they could do with them.<sup>76</sup> There are also difficulties in defining the geographic scope of a multilateral agreement; this could particularly affect countries like the United States, which conduct exercises related to out-of-area contingencies. It could also open the door to increased activity in areas left outside of the agreement.

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<sup>72</sup>*The Korean Herald*, August 23, 1994, p. 3.

<sup>73</sup>See Tai Ming Cheung’s comments in Meconis, *Asia-Pacific Dialogue on Maritime Security and Confidence Building Measures*, p. 61.

<sup>74</sup>Ali Alatas, “The Emerging Security Environment in East Asia and the Pacific: An ASEAN Perspective,” Address before the National University of Singapore Society, October 28, 1992.

<sup>75</sup>A recent mock invasion of a Malaysian island in the Malacca Straits by the newly created Malaysian Rapid Deployment Force also raised concerns among neighbours.

<sup>76</sup>Darilek, “East-West Confidence-building: Defusing the Cold War in Europe,” p. 27.

As far as observation is concerned, the right of free passage on the high seas already offers states an opportunity to independently observe others' naval activities, and surveillance by national technical means provides some insight into activities on land. The argument in favour of inviting observers is that it regularizes the information provided, serves as a gesture of good will, and provides access to those that lack national technical means. There are practical difficulties involved: for example, how does one give on-board observers an accurate sense of what is happening in a large-scale naval exercise without granting access to and explanations of command and control that could compromise naval communications and fleet tactics? Simply being aboard a foreign vessel engaged in a short exercise does not necessarily increase transparency or build confidence; one needs to have a sense of the whole picture.<sup>77</sup> In addition, since it is hard to envision a negotiated observation measure that would not entail agreement on what types of activities observers must be invited to, an observation regime would create the same problems as its notification counterpart in terms of limiting states' abilities to undertake unscheduled, unobserved activities.

The widely varying sizes of the forces concerned further complicates negotiation of a highly structured multilateral notification and observation regime. The low thresholds required to capture "major" or "operational" exercises of the region's smaller militaries (like the Indonesian-Malaysian one that caused a problem in 1991) would put an onerous burden on the region's larger forces, which rarely operate below that level. However, as a first step states could agree to exchange exercise calendars, with the definition of what is to be included left to each individual state (or agreed on a bilateral or subregional basis). States interested in building confidence would have an incentive to include more, rather than fewer, of their planned activities, knowing that any activity they conducted outside of the schedule would trigger warning bells among their neighbours.<sup>78</sup>

### **Agreements on "Rules of the Road"**

Agreements on the Prevention of Incidents at Sea (INCSEA) and the Prevention of Dangerous Military Activities (PDMA) restrict dangerous manoeuvres and harassment, outline mechanisms to improve communications at sea, and define procedures for information exchange and regular consultation between parties. They thus help to protect the safety of naval crews and equipment, lower the chances of naval "games" escalating into combat, and provide a mechanism for defusing and discussing any incidents that do occur. In practice, such agreements between the former USSR and various Western countries reduced the number and intensity of dangerous incidents and close calls, although they did not eliminate them. Oftentimes political intent, rather than misunderstanding, seems to have been at fault.<sup>79</sup>

With the expansion in Asia Pacific of systems more prone to accident and miscalculation (e.g. submarine warfare systems and long-range anti-ship missiles requiring over-the-horizon targeting), one could make a case for the negotiation of regional INCSEA agreements, particularly on a bilateral basis. Four such agreements already exist in the North Pacific: between Canada-Russia, the US-Russia, Japan-Russia and South Korea-Russia.<sup>80</sup> Australia, among others, has proposed the negotiation of a multilateral INCSEA. Given the volume of traffic on the high seas, it is certainly desirable for all parties to observe the same "rules of the road" and for navies not to have to remember a different procedure for each encounter. However, the existing bilateral agreements already follow the template set down by the original US-USSR accord. Moreover, agreements are more rapidly and easily negotiated on a bilateral basis, and the bilateral format allows each agreement to be tailored to the unique concerns of the countries involved and the particular nature of their navies' interaction. The advantages of moving to a multilateral agreement are not clear. Dialogue in the context of a multilateral INCSEA could allow states to address

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<sup>77</sup>This is not an insurmountable problem, at least among friends. Singaporean military observers participated in the annual US-Thai "Cobra Gold" exercise in early 1994, the first time outside forces have been given a view of the whole process, including preliminary planning. *Jane's Defence Weekly*, May 21, 1994, p. 12.

<sup>78</sup>See Richard Hill, "Maritime Arms Control in the Asia-Pacific Region," in Ross Babbage and Sam Bateman, eds., *Maritime Change: Issues for Asia* (St. Leonards: Allen & Unwin, 1993), pp. 43-45.

<sup>79</sup>William J. Durch, "Things that go Bump in the Bight: Assessing Maritime Incidents, 1972-1989," in Barry Blechman et al., *The US Stake in Naval Arms Control* (Washington, D.C.: The Henry L. Stimson Center, October 1990), pp. 245-78.

<sup>80</sup>China has ignored Russian offers to negotiate an INCSEA and a PDMA.

concerns posed by groups of naval ships approaching another's sensitive waters, although a multilateral INCSEA is not necessary for such dialogue. It is likely that a multilateral INCSEA would put a great strain on the staff resources of small navies.<sup>81</sup>

Beyond this, the utility of INCSEA agreements -- at least as currently styled -- in the Asia Pacific context is questionable. Existing INCSEA agreements are primarily designed to avoid the problem of large ships running into one another, but regional navies do not engage in the close quarter surveillance and manoeuvring that the US and the USSR were involved in. The systems likely to cause problems in Asia Pacific (e.g. *Exocet*, *Harpoon*) are of much longer ranges. As well, INCSEA agreements are limited to high seas activities, whereas regional incidents -- especially in Southeast Asia -- are more likely to occur in disputed territorial waters. Attempts to adapt INCSEA to regional waters could set undesirable precedents such as restrictions on certain naval operations in EEZs, or provisions that appear to require prior notification of straits transit or archipelagic sea lanes passage. Moreover, the requirement to raise INCSEA signal flags and wait for a reply before responding could delay an effective response to threats posed by pirates, smugglers and polluters.

Since one of the most useful aspects of INCSEA agreements is the requirement for annual assessment meetings,<sup>82</sup> it might be more worthwhile to focus on arrangements that extend the avenues of regular, institutionalized communication between regional navies. In view of the growing number of submarines in the region, another useful objective would be to aim at the prevention of incidents arising from sub-surface activity, which is excluded from existing INCSEAs. Since INCSEAs work largely by the transmission of visible signals, they would require considerable adaptation to accommodate sub-surface activity. As an alternative, Asia Pacific states could consider the establishment of a regional submarine Movement Advisory Authority along the lines of the procedures followed by NATO and other Western navies.<sup>83</sup> In Southeast Asia, it might make more sense to speak of "maritime safety" agreements rather than INCSEAs. These could include matters ranging from maritime surveillance and response to marine pollution to more specific incorporation of collision-avoiding procedures and signals to supplement the rules of the nautical road.<sup>84</sup> Despite the limitations of existing INCSEAs, it is worth finding means of adapting their basic purpose: to establish agreed mechanisms that enable naval vessels engaged in legitimate tasks to communicate their intentions to others in a manner that avoids misunderstanding.<sup>85</sup>

### Open Skies

An Open Skies agreement, providing for regular, short-notice overflights of participants' territory using unarmed surveillance aircraft, could be a useful CBM that would go a long way towards improving transparency in the region. The arguments in favour of Open Skies are: (1) that it allows participants that do not have surveillance satellites (i.e. almost all Asia Pacific states) to independently monitor areas of particular interest or concern and thus to satisfy themselves regarding the peaceful intentions of the surveyed party (since it would be virtually impossible to hide plans for a major conventional attack from frequent, random reconnaissance flights);<sup>86</sup> and (2) that, by serving as an indicator of participants' commitment to openness in their military relations, Open Skies could help to create the political climate

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<sup>81</sup>Canada has proposed a multilateral INCSEA in the Middle East and is attempting to work out some of the difficulties posed by a multilateral agreement, including the format of reviews (i.e. how to incorporate both bilateral and multilateral meetings) and how an outside power would "interface" with a regionally-oriented agreement that might differ from existing agreements (some Middle East states have proposed a range limit on how close ships could come to one another, which is absent from existing INCSEAs). See Peter Jones, "Maritime Security Cooperation and CBMs in the Asia Pacific: Applying Maritime CBMs in Regional Contexts," Paper prepared for the Fourth Annual Asia Pacific Dialogue on Maritime Security and CSBMs, Nakorn Pathom, Thailand, August 7-9, 1994.

<sup>82</sup>For a period during the Cold War, the required INCSEA consultations were the only meetings taking place between high-ranking US and Soviet military officials.

<sup>83</sup>Bateman, "Maritime Confidence and Security Building Measures and the Law of the Sea," pp. 15-16.

<sup>84</sup>See Stan Weeks comments in Meconis, *Asia-Pacific Dialogue on Maritime Security and Confidence Building Measures*, p. 61.

<sup>85</sup>Jones, "Maritime Security Cooperation and CBMs in the Asia Pacific," p. 18.

<sup>86</sup>Although the restrictions on sensors in the existing Open Skies Treaty may be too stringent to provide much useful information in an Asia Pacific context, particularly for the region's smaller states (i.e. the imagery can identify large systems like tanks, but not small arms). As well, the notice requirements are generous enough that observed parties have time to camouflage things if they want to. Helicopters might be more appropriate vehicles in Asia Pacific: if observers saw something suspicious, they could at least hover for a moment to take a closer look.

necessary for further progress in CBMs and arms control (and could form a part of the verification arrangements for any arms control agreement eventually negotiated).<sup>87</sup> Another benefit, particularly in Asia Pacific where there is no equivalent to the CFE Treaty (whose inspection regime already gives European states numerous opportunities for dialogue and close military interaction between parties), is the requirement for regular dialogue and the benefit of having pilots in one another's countries for a week at a time.

One option would be for Asia Pacific countries to gradually sign onto the existing Open Skies Treaty, beginning with Japan (in view of its concerns about Russia) and eventually extending to China, the two Koreas, Taiwan and Southeast Asia. Another would be to begin with a bilateral Open Skies agreement where it would probably have the most value, namely between the two Koreas. This might initially cover only the DMZ, then gradually include the rest of the Korean Peninsula, followed by all of Northeast Asia. Short of a negotiated agreement, countries could unilaterally notify one another of flights near their shared borders, as a confidence-building gesture preliminary to Open Skies.<sup>88</sup> At sea, unlimited surveillance flights are already possible outside of territorial or archipelagic waters, with the only limitations being safety and politeness in terms of proximity of approach. Open Skies might be of value in disputed areas, like the Spratlys.

However, regional militaries are sceptical about the utility of an Open Skies regime, seeing it, at best, as of only symbolic value and, at worst, as potentially damaging to military secrets.<sup>89</sup> In the Koreas, neither side is willing to permit overflights at present. In Seoul, there are fears Open Skies would lead to North Koreans shooting down ROK planes. In Tokyo, officials argue that Russia would benefit more than Japan from such an arrangement, since Japan does not have planes capable of overflying the entire span of Russian territory. The regional attitude means that countries would have to be convinced of the information-gathering value of the measure before entering into it; however, since this would give other parties the same advantage with respect to them, they are unlikely to sign on.

## VII. Arms Control

A typical criticism of CBMs is that they play at the margins. While they may reduce tensions and make conflict -- particularly inadvertent conflict -- less likely, they do not address the possibility of deliberate aggression, they are easily breached (with penalty unlikely), they have no effect in wartime, and they do not get rid of a single weapon. In addition, the negotiation of a multilateral CBM is typically a long, involved process, increasing in difficulty with the addition of each new player. Restrictions on weapons themselves are a far more direct way of addressing concerns about problematic arms buildups.

Measures could take the form of restraints on weapons deployment and use, i.e. operational arms control. For example, all countries with claims to the Spratlys could agree to a moratorium on further weapons deployments in the islands, or to a localized ban on particular weapons types, like combat aircraft. The Straits of Malacca and the Taiwan Strait are other potential candidates for restrictions on deployment or operations.<sup>90</sup> On the positive side, such measures could inject some stability into planning. The difficulties with operational restrictions are that they limit the freedom of armed forces to practice

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<sup>87</sup>For example, Open Skies might be most effective, economical and least intrusive means of verification available to the two Koreas, which currently lack advanced monitoring technologies such as NTM satellites and other remote sensors. See Amy E. Smithson and Seong W. Cheon, "'Open Skies' Over the Korean Peninsula -- Breaking the Impasse," *Korea and World Affairs*, Vol. XVII, No. 1 (Spring 1993), p. 65.

<sup>88</sup>In the Korean case, Smithson and Cheon propose beginning with coordinated unilateral overflights behind the respective borders adjacent to the DMZ, which would allow each side to become familiar with the concepts and mechanics of cooperative aerial inspections while using its own equipment and staying behind internationally recognized borders. The two sides could then gradually lengthen the flightpaths and allow military liaison officials from each side on board. Eventually the agreement might include the right to conduct challenge inspections. "'Open Skies' Over the Korean Peninsula -- Breaking the Impasse," pp. 71-74.

<sup>89</sup>Even the West, for all its talk about the confidence-building benefits of Open Skies, was in part interested in getting a closer look at what Russia holds East of the Urals.

<sup>90</sup>For suggestions, see Satoshi Morimoto, "Enhancing Confidence in the Asia-Pacific Region: Transparency in Defence Policies and Military Acquisitions," Paper prepared for Seventh Asia-Pacific Roundtable, Kuala Lumpur, June 6-9, 1993, p. 7, and Kusuma Snitwongse in Meconis, *Asia-Pacific Dialogue on Maritime Security and Confidence Building Measures*, p. 46.

and to perform their job, namely deterrence and defence; they are also prone to false alarms or incidents by vessels or planes straying into the area, which can increase tension and undermine confidence.<sup>91</sup>

A further step would be structural arms control, i.e. limits on the size and/or composition of armed forces. Negotiated, verifiable agreements limiting the numbers and types of weapons in a region are the most direct way to prevent troubling arms buildups. As to what types of weapons should be limited, there is no lack of suggestions. For example, US government officials are reported to have recommended controls on the spread of advanced submarine propulsion technologies, advanced cruise missiles and sea mines to Third World navies, on the grounds that these could impose demanding anti-submarine warfare requirements on the US Navy and potentially cripple peacekeeping operations.<sup>92</sup> Other weapons systems mooted for control include advanced strike aircraft,<sup>93</sup> cruise missiles and guided missiles,<sup>94</sup> sophisticated main battle tanks, long-range bombers, precision-guided battlefield weapons and large naval vessels (e.g. aircraft carriers).<sup>95</sup> In the Koreas, tanks, artillery and missiles (and their accompanying units) top the list of weapons believed to pose a threat. The North would probably also want to see limits on the South's jet fighters and destroyers.

However, formal regional, or sub-regional, arms control agreements are unlikely in Asia Pacific in the foreseeable future. An East-West model of arms control would seem ill-suited to the region, given the enormous asymmetries in force sizes, postures and operational conduct, as well as the absence of agreement as to which weapons or force postures are destabilizing. Outside the Korean Peninsula (discussed below) and certain land border combinations like China and Russia, there is no clear, two-sided situation where it is relatively easy to determine what is being measured and traded off against what. It would be extremely hard to arrive at a multilateral agreement that could be implemented equitably for all parties. Even reciprocal percentage reductions or limits could seriously undermine the ability of the region's smaller powers to defend themselves, while hardly denting the strength of larger powers.<sup>96</sup> The most non-discriminatory measures would be those that involved blanket prohibitions on weapons in certain areas. In this sense, the model to be followed is more the global multilateral arms control regime, like the Seabed Treaty or the Chemical Weapons Convention, than the CFE Treaty. But the only candidates likely to be considered for such a prohibition are weapons that are extremely reprehensible or far beyond the capabilities or desires of regional states -- in which case there is probably already a global agreement in the works (e.g. anti-personnel land mines).

It is very hard to think of a system that should be banned on an Asia Pacific basis. Submarines have been suggested, since they could be destabilizing in a crisis and are of doubtful utility for low intensity operations in the first place. "But it is precisely because they give the small or medium-sized navy the capacity to escalate to the higher level of operations that such navies want them. They are fine sticks to shake."<sup>97</sup> Missile-armed surface units and shore-based combat aircraft with an anti-ship role can be regarded in same light as submarines. An attempt to ban power projection forces, like aircraft carriers, would be meaningful only if China agreed to the restrictions, a highly unlikely prospect given the price China would demand in return (i.e. sharp limits on US, Russian, Japanese and possibly Indian forces).

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<sup>91</sup>Hill, "Maritime Arms Control in the Asia-Pacific Region," pp. 43-44.

<sup>92</sup>Robert Holzer and George Leopold, "U.S. Urges Third World Sub Limits," *Defense News*, September 10, 1990.

<sup>93</sup>A Stanford study contends that modern combat aircraft are capable and cost-effective alternatives to ballistic missiles for ground-strike missions; advanced strike aircraft can effectively deliver nuclear weapons and are preferable to ballistic missiles for delivering conventional or chemical weapons, yet are sold by participants in the Missile Technology Control Regime to some of the same states that would be denied ballistic missile technology under the MTCR. *Assessing Ballistic Missile Proliferation and Its Control*, A Report of the Center for International Security and Arms Control (Stanford University, November 1991), pp. 25-62. See also John R. Harvey, "Regional Ballistic Missiles and Advanced Strike Aircraft: Comparing Military Effectiveness," *International Security*, Vol. 17, No. 2 (Fall 1992), pp. 41-83.

<sup>94</sup>With Global Positioning System (GPS) technology, it is easier for a country to design a cruise missile with an accuracy of 100 metres than a ballistic missile of the same accuracy. Benoit F. Morel, "Proliferation of Missile Capability," *Disarmament*, Volume XIV, Number 3 (1991), p. 22.

<sup>95</sup>Keith Krause, "Constructing Regional Security Regimes and the Control of Arms Transfers," *International Journal* XLV (Spring 1990), p. 411. See pp. 414ff for a discussion of the difficulties of such control.

<sup>96</sup>Hill, "Maritime Arms Control in the Asia-Pacific Region," p. 40.

<sup>97</sup>Hill, "Maritime Arms Control in the Asia-Pacific Region," pp. 40-41.

Within ASEAN, arms control is viewed as a Western concept with little relevance to the region. Southeast Asians tend to argue that arms control is a solution to a problem, and they do not have a problem. Since the threats in the region are not immediately military in nature (but are rather maritime claims, piracy, fishing violations, etc.), it is difficult to visualize any foundation for structural reductions in forces. Insofar as arms control might be entertained, it would be with a view towards limiting the role of external powers in the region (e.g. a Southeast Asian Nuclear Weapon Free Zone). However, the ASEANs have no bargaining chips to offer in return for constraints on the part of the external powers they would want to limit, namely China and Japan, except politically unacceptable measures such as relinquishing claims to the Spratlys.

In Northeast Asia, the scale of forces and level of hostility is high enough that negotiated limits might be a possibility. However, in both Northeast and Southeast Asia countries feel more secure -- especially given the modest pace of acquisitions -- putting their faith in continued arms buildups and deterrence than in arms control. China is unlikely to entertain reductions that would place serious constraints on its military development plans, or to accept large quantitative constraints, in part because it relies on quantity to make up for its relative backwardness in technology.<sup>98</sup> Japan already has constitutional limits on its forces. It could formalize these in an arms control agreement, but in exchange for what? Nonetheless, it might be possible to come up with specific agreements that control weapons in readily identifiable areas, as has already happened along the Sino-Russian border. These would likely take the form of bilateral agreements or reciprocal, unilateral undertakings, between, for example, China and Taiwan (e.g. mutual disengagement along the Taiwan Strait); Russia and the US/Japan (e.g. a reduction of naval and air assets in the Seas of Japan and Okhotsk); or, most obviously, North and South Korea.

Of all the arms buildups in Asia Pacific, Korea is the situation most analogous to the East-West experience and the place where arms control could have a most salutary effect. One can make a case that arms control would be in both sides' interest: for Pyongyang, it could reduce the economic burden of maintaining large conventional forces and halt the slide towards imbalance in the South's favour; for Seoul, it could disperse the forces massed on the Northern side of the DMZ and increase the warning time of an attack. However, the atmosphere of fear, distrust and seemingly irreconcilable objectives on the Peninsula is hardly conducive to negotiations. The deeply secretive, isolationist attitude of the North makes even simple exchanges of information difficult. Aside from requiring a closed society to perpetuate the regime, Pyongyang probably fears that transparency would reveal military weaknesses, including the poor condition of soldiers and equipment, that might prompt an attack by the South. Willingness to engage in arms control is hardly greater south of the demilitarized zone. With an eye to Pyongyang's record on its nuclear commitments, Seoul strongly suspects that the North would try to cheat if a conventional accord ever were negotiated. Many South Korean security planners indicate privately that they prefer a situation of no arms control and South Korean military superiority to one of arms control and parity.<sup>99</sup>

Dealing with the nuclear issue will continue to be the priority on the Peninsula (and with the way the nuclear framework agreement is structured, it could take up to five years to have reasonable assurance of Pyongyang's non-nuclear intentions). But it might be possible to make progress towards conventional arms control, particularly towards some of the confidence-building measures envisioned in the Basic Agreement of December 1991.<sup>100</sup> The recent history of negotiations suggests that Pyongyang is not immovable and that US actions in particular can have at least a limited effect on North Korean

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<sup>98</sup>A former Chinese foreign minister is reported to have said: "arms control is the process of negotiating the advantage out of you."

<sup>99</sup>South Korea also has a somewhat mixed agenda looking to the prospect of reunification, part of which may well involve a desire to increase the compatibility of North and South Korean weapons and strategies.

<sup>100</sup>The "Agreement on Reconciliation, Non-Aggression and Exchanges and Cooperation," which provided, inter alia, for "the mutual notification and control of major movements of military units and major military exercises, the peaceful utilization of the Demilitarized Zone, exchanges of military personnel and information, and phased reductions of armaments including the elimination of weapons of mass destruction and attack capabilities, and verification thereof." All that has resulted so far is the installation of a telephone hotline between the respective ministries of defence. Meetings of the Joint Military Commission to discuss further measures were suspended when North Korea announced its intention to withdraw from the Nuclear Non-Proliferation Treaty and have not yet resumed.

behaviour.<sup>101</sup> There is a good chance that the regime is fundamentally concerned with its own survival, wants to avoid general war, and sees its long-term existence being threatened by economic weakness and international isolation. It is worth exploring whether these interests can be used to parlay the dialogue started with Washington on the nuclear side -- which Pyongyang gives every indication of wanting to sustain -- into talks with Washington and Seoul on the conventional side. A key question is whether Pyongyang will get so much out of its nuclear deal (e.g. non-nuclear assurances, diplomatic recognition, economic investment and technical assistance) that it will feel it does not have to move on the conventional side<sup>102</sup> -- although a conventional agreement could offer its own carrots in the form of assurances against attack and modifications or reductions in American and South Korean deployments.

Both North and South Korea may be reluctant to reduce their forces too greatly without some adjustment on the part of forces of neighbouring powers. For example, China might have to be asked to thin army deployments near its border with North Korea, but this would raise Sino-Russian concerns, and China and Russia would be reluctant to play along without commensurate cuts or at least some control over the deployment of US and Japanese forces. "Talks initially focused on forces deployed on the Korean peninsula thus could easily move into the broad area of regional arms control."<sup>103</sup> Arms buildups around the Korean Peninsula will have detrimental effects on attempts to stabilize the situation on the Peninsula, since North and South will each respond independently to outsiders' purchases. Conversely, until there is progress on the Peninsula, it will be difficult for South Korea to participate in broader regional CBMs.

### Supply-Side Controls

If the prospect of arms control originating within the region is low, might arms suppliers, acting singly or together, exercise some restraint over troublesome arms buildups? The avenue for supply-side control in Asia Pacific is still fairly large in that no state in the region is free from dependence on outside suppliers, especially for sophisticated equipment and technology,<sup>104</sup> and the group of relevant suppliers is relatively small. A supplier regime that included arms producers in North America, Europe and Russia would be able to capture the vast majority of exports.<sup>105</sup>

Options for multilateral control range from agreement on common criteria for arms transfers, to agreement to consult together before approving arms exports, to agreement to ban certain exports to certain countries. However, the prospect of meaningful supply-side control is not high. The region's main suppliers, wearing the hat of the P5, have already agreed on common, globally-applicable guidelines for conventional arms exports.<sup>106</sup> The guidelines are general in nature, are subject to each country's interpretation, and have not had a noticeable dampening effect on the P5's arms transfers, even to the region that occasioned their origination -- the Middle East. It is safe to say they have had no effect in Asia Pacific. While there may be general agreement among suppliers that the uncontrolled spread of advanced weapons undermines stability, there is much less agreement on to what extent and to which states or regions restrictions should apply. It is next to impossible in the abstract (and hard even in specific cases) to define what constitutes such concepts as "legitimate self-defence" and "stability."<sup>107</sup>

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<sup>101</sup>E.g., the cancellation of the 1992 Team Spirit exercise and the convening of the first-ever US-DPRK policy level meeting in January 1992 were followed by the DPRK's ratification of its safeguards agreement and six inspections by the International Atomic Energy Agency. *North Korea's Nuclear Program: Challenge and Opportunity for American Policy*, Special Report (Washington: United States Institute of Peace, 1994), p. 14.

<sup>102</sup>Nothing Pyongyang wants out of the nuclear deal is contingent on a resumption of North-South dialogue. For domestic reasons, the North may also need to play up the South as enemy (which means no progress in bilateral talks) now that it is starting to relieve the US of that status. Michael Gordon, "North Urged to Cut Force," *New York Times*, October 22, 1994, p. A5.

<sup>103</sup>McNaugher, "Reforging Northeast Asia's Dagger?" p. 17.

<sup>104</sup>Even Japan was unable to build the FSX on its own because certain areas, notably engines and systems-integration skills, were beyond Japanese industrial capabilities.

<sup>105</sup>If (a large if) these key countries could agree on a regime, niche suppliers outside of the regime (e.g. Israel) could probably be kept out of the market through strong-arm tactics.

<sup>106</sup>Joint Declaration of the Meeting of the Permanent Five on Arms Transfers and Non-Proliferation in London, October 18, 1991.

<sup>107</sup>For example, Moscow has pledged to stress "defensive" types of weaponry, especially aircraft and air defence systems, in its conventional arms sales. But a Soviet Ministry of Defence statement issued in August 1990 claimed that Moscow had supplied Iraq with only defensive arms,

Unless common guidelines involve prohibitions on the transfer of specified weapons or components to specified countries, they are not likely to have much practical effect in limiting arms buildups (although they may raise the salience of arms transfers and, in democratic societies, lead to public or legislative pressure on governments to limit sales). Given conflicting foreign policy interests and differing motives for transferring arms, the scope for agreed interpretation of guidelines among countries that are not friends or allies is very limited.

Supply-side restraint is also stymied by the exigencies of a buyer's arms market. The commercial, military and political pressures to export arms are such that suppliers are unlikely to agree to abandon their clients to sellers outside the agreement. No major supplier is convinced of a need to reduce sales to the region. International sensitivity to potentially destabilizing arms transfers has declined significantly since the immediate post-Gulf War period.

Moscow has a clearly-stated policy of exporting arms to prop up the Russian economy, and views the Asia Pacific region as a burgeoning market for this purpose. Many cash-strapped parts of the former Soviet defence industry see arms sales as a means of ensuring their survival and are likely in the short term to continue to offer arms to virtually all comers at "bargain basement clearance" prices. Since defence plants can now retain 70 percent of the profits from international arms sales, as compared to 20 percent under the former Soviet government, there is a strong incentive to export. Income from arms sales is being used to help convert part of the defence sector to civilian use, to pay soldiers' salaries, to support continued production of the most sophisticated weapons, and to expand military and dual-use research which has fallen to dangerously low levels. Lesser objectives include getting rid of stocks of excess weapons and wooing the military-industrial lobby in domestic political struggles. As well, in Asia Pacific, arms sales give Moscow a political entrée it is too weak to gain through economic or diplomatic means. There is great Russian disillusionment with and resistance to global non-proliferation efforts, which are viewed as a Western ploy to stifle competition and cripple Russian economic power.<sup>108</sup>

Although US restraint has to date been the largest single supply-side constraint on the pace and sophistication of Asia Pacific arms buildups, controls may be loosening as Washington attempts to reconcile its emphasis on non- or counter-proliferation -- which extends to advanced conventional technologies -- with its regional security, trade, budgetary and economic competitiveness goals. The US is now starting to revive its defence ties with China, and in December 1992 announced that it would transfer jet engine technology, radars, torpedoes and avionics to Beijing, all areas in which the Chinese are sorely lacking.<sup>109</sup> The recently-passed Export Administration Act reduced restrictions on the overseas sale of sensitive technologies and Congress has passed legislation that would boost loan guarantees for arms exports. There is also a bill before Congress (opposed by the White House) that could pave the way for increased, and more advanced, weapons sales to Taiwan.<sup>110</sup> The review of arms transfers, promised when President Clinton took office, has not appeared. More generally, as discussed above, there are signs the US may manage its changing security role in the region by providing additional weapons to, or assisting the defence modernization of, allies and friends. Also, since sophisticated weapon systems remain an area in which the US has a comparative advantage, arms sales offer a means of reducing the US trade deficit in the Pacific.

In the negotiations to establish a successor to COCOM, which expired on March 31, 1994, progress has been slowed by Russian insistence on maintaining its share of the market in the Middle East and Iran and by vigorous debate on the nature and objectives of the organization between the UK and France on the one hand and the United States on the other. No agreement has been reached on issues such as pre-export notification or consultation. The regime that emerges is likely to have a considerably

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notwithstanding the fact that the Soviet Union was one of the main sources of Baghdad's markedly offensive potential. Konstantin Sorokin, "Russia's 'New Look' Arms Sales Strategy," *Arms Control Today*, Vol. 23, No. 8 (October 1993), p. 10.

<sup>108</sup>See Sorokin, "Russia's 'New Look' Arms Sales Strategy"; Stephen J. Blank, *Challenging the New World Order: The Arms Transfer Policies of the Russian Republic* (Carlisle Barracks, Pennsylvania: Strategic Studies Institute, US Army War College, October 1993); and Kimberly Marten Zisk, "The Foreign Policy Preferences of Russian Defense Industrialists: Integration or Isolation?" Paper prepared for the International Studies Association 35th Annual Convention, Washington, D.C., March 29-April 2, 1994.

<sup>109</sup>*Strategic Survey*, 1992-93, p. 135.

<sup>110</sup>Melana Zyla, "Socking it to China," *Far Eastern Economic Review*, August 5, 1993, p. 15.



narrowed list of controlled items and an even smaller list of proscribed destinations, with enforcement left entirely to national discretion.<sup>111</sup>

This does not mean that supply-side controls will go out the window. Russia does seem to be trying to ensure that China does not get the most technologically sophisticated models of Russian platforms, and that these platforms are deployed away from Russian borders.<sup>112</sup> The US will continue to hold tight to its most advanced weapons and technology, and to maintain a fairly strict hierarchy among allies (Japan, followed by South Korea, followed by Taiwan) when it comes to the sophistication of equipment available for export. Most suppliers will not touch North Korea or Vietnam. Still, future restraint will likely depend more on what suppliers' domestic industries want to protect and on what suppliers' own forces do not want to face than on the implications for regional stability. This will constrain the introduction of high-end items, but could still leave regional states in a position to acquire substantial quantities of second-best equipment (which is often good enough in the regional context).<sup>113</sup> In any case, the states most vulnerable to supply-side controls, namely those with limited access to hard currency and minimal weapons-building capability (e.g. Laos and Cambodia), are not the prime sources of concern. Insofar as the regional trend to indigenous defence production and high technology development continues, and there is every reason to expect it will do so, supply-side controls will become decreasingly relevant in constraining Asia Pacific arms buildups.

One possible way of addressing the indigenous aspect of arms buildups is to attempt to draw key regional countries -- i.e. those that have significant domestic defence industries or are emerging high-technology producers -- namely Japan,<sup>114</sup> South Korea, Taiwan, Hong Kong, Singapore and China -- into supply-side arrangements as partners or, at minimum, to encourage them to strengthen unilateral restrictions on arms exports. The obvious advantage of doing so is that it might help constrain the proliferation of advanced weapons and technology outside of Asia Pacific. A less obvious advantage is that it might have a dampening effect on domestic arms industries. It is often said that supply-side controls are unfair and ineffective because they do nothing to stop indigenous arms production. However, there is a link between the two insofar as arms exports promote domestic arms buildups either directly, by providing the funds for procurement (e.g. most revenues from the PLA's arms sales are ploughed right back into PLA coffers), or indirectly, by sustaining local defence industries and thus making it cheaper for them to produce for the home market. There is no doubt that Japan's ban on arms exports has run up the costs of the very limited production runs of indigenously-made equipment. Similarly, the recent sharp decline in Chinese arms sales could have a serious impact on the domestic defence industry's ability to fund future projects. The effects are already being seen. Analysts believe that limited demand has cut output of the Type 85-II tank to less than one-fifth of capacity. Overall, two-thirds of the Chinese defence industry's capacity remains idle according to official sources; the figure could be as high as 90%.<sup>115</sup> A major goal of arms controllers should be to keep this capacity unused, or to encourage its conversion to civilian use.<sup>116</sup> The question is how.

A clue might come from the "Asian Seminar on Export Controls for International Security," held in Tokyo earlier in 1994. For the first time, officials in charge of export controls in Japan, South Korea,

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<sup>111</sup>Nancy Dunne, "Cocom: demise of yet one more cold war warrior," *Financial Times*, March 31, 1994, p. 4.

<sup>112</sup>Blank, *Challenging the New World Order*, p. 59. Also, the great Russian arms sell-off may come to a halt. Already sales have dropped. In 1992, Russian sales totalled US\$1.3 billion according to some Western estimates, a 78% drop from 1991 and far from the 1987 peak of nearly \$15 billion. Sorokin, "Russia's 'New Look' Arms Sales Strategy," p. 9. The Russian cost advantage may not last. The best workers have already left their Russian defence industrial jobs and managers will have to raise wages to get them to return. Internal political and economic instability is scaring away clients concerned about the security of deliveries and availability of spare parts.

<sup>113</sup>E.g. the MiG-29's avionics are 10-15 years behind Western standards, but for regional buyers like China this still represents a huge advance. Michael Brzoska and Frederic S. Pearson, "Developments in the Global Supply of Arms: Opportunity and Motivation," *The Annals, AAPSS*, 535, September 1994, p. 63.

<sup>114</sup>Japan is already a partner in multilateral supply-side regimes like the MTCR.

<sup>115</sup>*Jane's Defence Weekly*, February 19, 1994, p. 28.

<sup>116</sup>Conversion has been underway in China for over a decade. In 1979, the total value of civilian production accounted for under 10% of the defence industry's overall output; by 1993, this was up to 70% and forecast to hit 80 percent by the end of 1995. However, many factories have not found viable civilian products to manufacture or are dependent on production of a single civilian commodity. *Jane's Defence Weekly*, February 19, 1994, p. 30.

Hong Kong, the United States, Australia and the six ASEAN countries came together to discuss the adoption of controls on exports that have possible military applications. Participants reportedly expressed a willingness to introduce an effective export control system within their own borders -- in part because they were told by Japan and the US that they would gain easier access to sensitive products and technologies from major industrialized countries if they tightened export controls. This suggests looking for means of transferring dual-use technology as carrots for good behaviour,<sup>117</sup> with good behaviour defined not only as tightened export controls but also as verifiable restrictions on what Asia Pacific recipients are themselves allowed to do with the technology. However, it is doubtful whether existing suppliers perceive the dangers in Asia Pacific arms buildups and technology acquisition to be pressing enough to exert the political capital to bring these states into regimes -- in particular whether Washington will exert the necessary pressure for a multilateral initiative, or whether it will believe that continued US unilateral control vis-à-vis allies is enough.

In the end, perhaps the most fruitful and feasible supply-side control measure is for suppliers to enact and enforce strict laws prohibiting the payment of bribes to recipients for arms purchases. For example, US sales of F-16s to Thailand involved commissions of only one percent because of strict US government checks, but French, Italian and Israeli companies offer "commissions" that could be as high as 35-40% of the contract.<sup>118</sup> Given the number of Asia Pacific arms purchases that seem to be tied to such corrupt inducements to individuals, this could be an important measure.

## VIII. Domestic Factors

The course of many regional military buildups, particularly in China, Russia and North Korea, will depend to a large extent on factors internal to those countries. How well these states are able to hold together when faced with rapid and uneven economic growth (or economic collapse), what their leaders feel they must do to maintain power and legitimacy, what role the armed forces play within society -- all are key variables. How might other countries, acting alone or in concert, try to influence internal developments?

Efforts to encourage the growth of a middle class, democracy, and more responsible government might be one tool. "Empirical support for the pacifying impact of constitutional democracy is firmer than for the assumption that economic interdependence breeds peace."<sup>119</sup> It thus may make more sense to promote liberal political values, such as respect for human rights, respect for property rights, and a genuine rule of law, in China than economic development per se.<sup>120</sup> Authoritarianism tends to encourage nationalism, protectionism and cultural extremism in a state's foreign policy, impeding the development of true regional interdependence and cooperation.<sup>121</sup> Corruption and prestige purchases may diminish as regional states become more pluralist and popular resentment of and resistance to such practices increase. Thai MPs are starting to question particular military purchases, albeit without -- as yet -- much effect. In South Korea, attempts are being made to rapidly tone down the role of the military in security policymaking in favour of civilian leadership. Such moves may create erratic policy behaviour in the short run, as civil administrators cut their teeth (and struggle for power) but, in the long run, they argue for increased stability.

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<sup>117</sup>It is more difficult, not least politically, to find carrots suited to controlling the proliferation of actual weapon systems as opposed to dual-use technologies. Examples include trading privileges (e.g. MFN status, already tried, acrimoniously, in the US-China relationship), civilian high-technology and foreign aid. For a good discussion of the options, see Keith Krause, *The Maturing Conventional Arms Transfer and Production System* (Ottawa: Non-Proliferation, Arms Control and Disarmament Division, Department of Foreign Affairs and International Trade, September 1994), pp. 35-39.

<sup>118</sup>Mack, *Arms Proliferation in the Asia-Pacific*, p. 15.

<sup>119</sup>Betts, "Wealth, Power and Instability," p. 74.

<sup>120</sup>Although the argument is typically made that economic development leads to democracy and respect for human rights, this is not necessarily the case.

<sup>121</sup>See Tow, "Contending Security Approaches in the Asia-Pacific Region," pp. 102-103.

## IX. Conclusion

Over the last several years there have been numerous proposals for moving to a new security system in Asia Pacific, one that is based on multilateralism and entails cooperation across a broad range of interstate relations. The proposed system goes by many names, including common security, comprehensive security, and -- Canada's coinage -- cooperative security. Cooperative security assumptions underlie most of the Track Two dialogues in the region, and most of the potential arms buildup solutions discussed above can be considered part of a cooperative security framework, e.g. economic interdependence, dialogue, transparency, defensive restructuring, maritime CBMs and arms control.

The language of cooperative security has entered Asia Pacific but -- aside from the proselytizers of Canada and Australia, and a few converts like the South Korean foreign minister -- the philosophy that underpins cooperative security policies has not. Regional decisionmakers have shown little inclination to regard their mutual security interests as more compelling than their national security interests, even if the latter can lead to potentially dangerous arms buildups and conflict. There remains a strong tendency to seek security against other countries rather than with them. The conviction that as long as procurements are progressing at a pace that allows the development of deterrent capabilities, they enhance rather than detract from regional security, is prevalent throughout Asia Pacific. Military power is viewed as the ultimate measure of state power, and letting up on force development is viewed as letting one's guard down.<sup>122</sup> This is not surprising. If Asia Pacific were ripe for a cooperative security approach, many of the arms buildup problems would not exist.

The question is how to change such attitudes, especially when such attitudes may not be misplaced. China may well want to regain territory that others hold. Each of North and South Korea may well be seeking a military advantage over the other. Japan may still harbour militarist tendencies. A power struggle, rather than a security dilemma, may be at the heart of many of the region's problems. Cooperative security is not well-suited to dealing with this.

None of four "ideal conditions" identified by Robert Jervis for creating and maintaining an institution which can effectively regulate disputes appear to be present in the Asia Pacific: (1) great powers must be willing to establish such a concert; (2) initial reservations about each others' strategic intentions must be overcome to the point that each would-be participant believes all the others share its values regarding mutual security and cooperation; (3) expansionist tendencies must be repudiated by all parties; and (4) wars must be regarded as too costly to wage.<sup>123</sup>

This need not preclude cooperative arrangements. Europe and the Middle East managed to arrive at some CBMs without meeting all of these conditions. It does suggest, though, that while states like Canada should try to lower security dilemma-related problems where they can, they should also be alert to larger power struggle issues and cases where aggression, provoked or otherwise, is a distinct possibility. This may in practice lead to a mixed security system in the region: cooperative security amongst those ranged against China, for example (though even this presumes shared security perspectives and possibly compatible values amongst the cooperators, which are lacking), but deterrence vis-à-vis China and North Korea and (possibly) Russia. Both approaches involve trying to manage arms buildups -- the former to avoid the risk of conflict, escalation and arms races based on misperception; the latter for traditional, self-interested arms control reasons, i.e. to reduce the likelihood of war, to reduce the costs of preparing for war, and to reduce the damage if war does occur. The danger lies in going too far one way or the other: disregarding the power struggle can provide an avenue for those not interested in cooperation to block constructive action by the rest of the group (e.g. China's foot-dragging in multilateral fora); disregarding the security dilemma can intensify conflicts unnecessarily.

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<sup>122</sup>E.g. Malaysia has to acquire "a modicum of mission capability...because of lead times, the need to maintain expertise and stay on the learning curve, and to demonstrate that Malaysia is serious about its maritime defence." (emphasis added) J.N. Mak, "The Maritime Priorities of Malaysia," in Babbage and Bateman, *Maritime Change: Issues for Asia*, p. 125.

<sup>123</sup>Tow, "Contending Security Approaches in the Asia-Pacific Region," p. 95.

If Canada and others want to address the adverse implications of arms buildups in Asia Pacific, what are the most useful avenues for doing so? A very general prescription might look something like this.

- 1) *Maintain sufficient US presence and commitment* in Asia Pacific, particularly in patrolling international waters and airspace, so that Japan and China do not feel they have to extend their security role in the region. In assisting regional armed forces to build up their own capabilities, Washington should emphasize moderation (in the nature and quantity of equipment acquired), transparency and intraregional cooperation.
  - 2) *Promote channels for routine interaction between and among regional militaries.* This can involve dialogue; better still are personnel and information exchanges (especially the establishment of basic procedures for regular communication), joint training and joint exercises; even better is cooperation on practical operational matters, like maritime surveillance and protection of shipping.
  - 3) *Take the mystery out of neighbours' military activities.* Even if Asia Pacific is not ready for a "transformational" confidence-building process (the cooperative security hope), bilateral and multilateral CBMs could still have value, particularly if focused not on politically-contrived measures but on modest, practically-oriented steps specifically designed to provide early indication of hostile intentions (e.g. exchanges of military exercise calendars; Open Skies) or to avoid unwanted incidents (e.g. agreements on "rules of the road"; hotlines between sector commanders along disputed borders). If initial steps are perceived as successful, there may then be an incentive to move on to other measures, such as bilateral undertakings not to hold exercises near sensitive areas.<sup>124</sup>
- Experience in other regions suggests that huge amounts of political capital are not required to get the process started. "Even in regions of considerable tension such as the Middle East and South Africa, useful initiatives have been taken despite the inability or unwillingness of national leaders to resolve fundamental differences. These steps have met the minimal requirements of not worsening any state's security and not increasing existing levels of hostility. No matter how serious outstanding grievances are, no sane national leader wants inadvertent escalation or accidental war."<sup>125</sup>
- 4) *Link military cooperation to the political level.* "A CSBM process which led to stronger bonds among regional military leaders, particularly if unmatched by comparable progress in the political, economic and cultural spheres, would not be an unmixed blessing for the region."<sup>126</sup> Combined politico-military staff talks might be useful, as might a defence parallel to the ARF and SOM (with a requirement to report to the ARF).
  - 5) *Do not rule out arms control,* particularly informal, bilateral agreements. The Sino-Russian accord began with initial, separate initiatives of force reductions by each side. Suppliers could also exert a controlling influence, if they wanted to.
  - 6) *Pursue regional dialogue and cooperation in non-military areas.* Integrated approaches that combine initiatives in the economic, political, humanitarian, cultural and military realms can facilitate trade-offs that are not possible to pull off when dealing with each sector on its own.<sup>127</sup> By the same token, economic interdependence and non-military dialogue alone should not be counted on to address problems associated with arms buildups.
  - 7) *Encourage domestic political liberalization* in China, Taiwan, North and South Korea, Burma, Vietnam and Thailand.

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<sup>124</sup> "Ambitious first steps, such as the comprehensive CBM agreements between North and South Korea, will face serious implementation problems, with no track record to alleviate distrust and no safety net to cushion failure." Michael Krepon, "The Decade for Confidence-building Measures," in Michael Krepon, Dominique M. McCoy and Matthew C.J. Rudolph, eds., *A Handbook of Confidence-Building Measures for Regional Security* (Washington, D.C.: Henry L. Stimson Center, September 1993), p. 8.

<sup>125</sup> Krepon, "The Decade for Confidence-building Measures," p. 3. CBMs can be implemented even when states do not have diplomatic relations, e.g. the Israeli-Syrian aerial monitoring agreements along the Golan Heights.

<sup>126</sup> Desmond Ball, "Strategic Culture in the Asia-Pacific Region," *Security Studies*, Volume 3, Number 1 (Autumn 1993), p. 66.

<sup>127</sup> See Krepon, "The Decade for Confidence-building Measures," pp. 4-5.

8) *Keep China's arms buildup (which is going to happen anyhow) moderate, defensively-oriented, transparent and balanced by others.* China's behaviour will be a key determinant of future directions in regional arms buildups. One option is to accept eventual Chinese hegemony in the region; another is to maintain a sufficient US presence and take other moves to contain China without causing a confrontation ("polite containment, which need not preclude decent relations"<sup>128</sup>); a third is to try to draw Beijing into regional CBMs and other cooperative security efforts; a fourth is to engage Beijing in a great power concert for managing regional security.

Option three, if it could work, would be most in Canada's interest and most likely to produce the objectives listed above. However, there are considerable obstacles. Although the Chinese have some professionals open to reassurance, their arms control expertise is not very sophisticated and Beijing is for the most part not interested in transparency, confidence-building or arms control.<sup>129</sup> It regards military exchanges as the price it has to pay to gain weapons and technology from the West, and participation in multilateral fora as a safeguard against others taking action that is not in China's interests. The ARF and other dialogues may, over the long term, help to encourage an evolution in Chinese security thinking. In practice, though, there is not much that outsiders can do to influence China's behaviour. In the meantime, China's good faith should be tested by seeing how willing it is to engage in meaningful CBMs. If China does not want to be a positive player in regional security, others in the region should revert to option two.

9) *Gradually place Japan's security role in the region within a multilateral framework,* through such efforts as increased dialogue and military cooperation with states other than the US (e.g. South Korea, China, Russia, Taiwan).

10) *Manage and resolve the unresolved territorial and other disputes in the region* (e.g. Northern Territories, Spratlys, China-Taiwan, Korea, Cambodia), dealing with each problem subregionally or bilaterally as appropriate.

Where, in this very general prescription, might Canada make the most useful contribution? Canada has skills to offer, both technical (e.g. in verification) and facilitative (e.g. in multilateral diplomacy). As well, Canada, unlike Australia, has direct experience with the European confidence-building and arms control process and, more recently, with confidence-building in Latin America and the Middle East. It can thus offer practical insight into what has worked, and not worked, in these particular contexts.<sup>130</sup> Canada's difficulty in Asia Pacific is that it does not have a large enough economic or -- particularly -- military presence in the region to be seen as a key partner in regional and subregional security dialogues. For example, Canada has not succeeded in getting itself into the WPNS<sup>131</sup> and has been excluded from the San Diego-based Northeast Asian Cooperation Council, even though the latter is arguably a direct follow-on to the Canadian-initiated North Pacific Cooperative Security Dialogue. This may change as Ottawa moves towards a more even distribution of military assets between the East and West Coasts and as the Canadian Forces make more regular visits to Asia. Nonetheless, Canada still gives the appearance of scrambling to catch up in the region<sup>132</sup> and it will be some time before we can build up the expectation that we can counted on over the long haul.

Canada's preference for multilateral institutionalization will also run up against the regional preference for less formal kinds of security relationships. In terms of arms buildups, ARF and CSCAP are not where the most useful and interesting action is going to be (look instead to the WPNS, or to bilateral arrangements). However, for Canada, they are the only tables at which we have a reasonably strong voice.

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<sup>128</sup>Betts, "Wealth, Power and Instability," pp. 54-55.

<sup>129</sup>E.g. the Russian border pullback was the result of Beijing's assessment that China was no longer threatened by Russia. It was not conceived as a confidence-building exercise.

<sup>130</sup>For a fuller discussion of Canada's "comparative advantages," see Shannon Selin, "Applying Canadian Strengths to Non-Proliferation," in David Mutimer, ed., *Control But Verify: Verification and the New Non-Proliferation Agenda* (Toronto: York University Centre for International and Strategic Studies, 1994), pp. 131-163.

<sup>131</sup>Canadian-Australian rivalries are also at work here.

<sup>132</sup>Even on the trade side, the enormously-hyped "Team Canada" mission to China occurred a full year after the United States, Australia and many European countries had undertaken similar (if often lower-key) initiatives.

There are things Canada can do within these fora, such as encourage the development of links with military establishments, the development of multilateral CBMs, and the discussion of basic arms control concepts. Canada can also work bilaterally, particularly with South Korea and Japan, to promote some of the ends described above. Given regional sensitivities, in many cases the most Canada will be able to do is describe what our (Western) experience has been, leaving it to regional countries to decide whether there is anything in that experience that might be valuable for themselves.

Canada will probably fare better in attempting to address non-military sources of tension in the region, such as marine pollution, fisheries and questions of international law (e.g. the South China Sea workshops). But this will not have a direct impact on arms buildups. And if, in focusing on these Canada appears to be avoiding traditional security questions, we could be accused of being naive or disingenuous.

In the end, if Canada is not involved, will it make a difference? Most of the issues can be resolved only by the affected states and their great power mentors. Does Canada have any interest in alleviating the troublesome aspects of Asia Pacific arms buildups -- aside from the proverbial "seat at the table," and the domestic political and bureaucratic need to be seen to be "doing something" in Asia -- that the United States or Australia is not already pursuing? Perhaps the Canadian interest, and what Canada can uniquely bring to the process, is found not so much at the regional but at the global level, and particularly at the interface between the two. In other words, Canada's interest is in ensuring that regional security arrangements do not undermine global arrangements (and vice versa), and its contribution lies in suggesting ways in which global multilateral experience and experience -- both conceptual and operational -- from the other regions of which Canada considers itself to be a part might be applicable.<sup>133</sup> Many regional states, particularly Japan, are much more willing to accept Canada as a global partner than as a regional one. While this type of role is not as central as Canada might want it to be, it might -- if appropriately focused -- have a useful, if marginal, impact in alleviating some of the troubling consequences of Asia Pacific arms buildups.

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<sup>133</sup> Asia Pacific might have to whittle the regional security wheel, but it does not have to reinvent it.