



# ANALYSIS

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## SECURITY, DEMOCRACY, AND ECONOMIC LIBERALIZATION: COMPETING PRIORITIES IN U.S. ASIA POLICY

SECURITY, ECONOMIC LIBERALISM, AND DEMOCRACY:  
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REALISM OR EVANGELISM? SECURITY THROUGH  
DEMOCRATIZATION AS A NATIONAL STRATEGY

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## FOREWORD

In the aftermath of the Cold War, with strategic containment of the Soviet Union no longer the dominant concern, U.S. policy shifted its focus away from national security to issues of trade and democratization. It was also instilled with a sense of urgency. Economic sanctions were threatened more frequently to force economic and political liberalization, a strategy that inflamed tensions between the United States and governments in East Asia.

American policymakers have been split on the wisdom of this new course, between those who advocate seeking immediate results by pressuring foreign governments, and those who believe a return to a broader-based strategy that incorporates long-term defense interests and assumes economic engagement and quiet diplomacy will best promote economic and political liberalization. In regards to Northeast Asia, at least, the Clinton Administration has gradually come to believe in the latter approach, evidenced most recently by National Security Advisor Anthony Lake's visit to China in July in which he emphasized the common strategic interests of the two countries.

In this issue of the *NBR Analysis*, authors Sheldon Simon of Arizona State University and Donald Emmerson of the University of Wisconsin-Madison address the relationship between security, democracy, and economic liberalization in U.S. policy toward Asia. Professor Simon, summarizing dozens of interviews with East Asian foreign policy elites conducted in 1995–96, contends that they are ambivalent about current U.S. policy. While welcoming the continued American military presence and U.S. support for multilateral security efforts, Asian governments resent U.S. pressure to liberalize their domestic political and economic policies. Professor Simon cautions that a U.S. policy that places too much emphasis on democracy and human rights could exasperate Asian leaders and undercut current positive trends in multilateral security cooperation. Moreover, if sanctions were applied to countries such as Burma or China, as has been threatened, the generally positive liberalizing effects of their participation in the global economic system would be reduced.

In a similar vein, Professor Emmerson challenges the common conception that greater democratization will necessarily lead to increased security in East Asia. He observes that the Clinton Administration's foreign policy strategy has been powerfully motivated by the school of thought that teaches that democracies rarely make war on one another. However, Emmerson continues, the United States needs to recognize that under unfavorable conditions a democratically elected government can become "too representative"—its power to rule too fragmented or unstable—to ensure the personal security of its citizenry. Conversely, a government brought to power by majority vote can use its authority to threaten the security of individuals and groups in opposition to it. Emmerson suggests, therefore, that

democratization can, ironically, increase disorder or repression through the empowerment of antidemocratic or nationalist forces. U.S. policymakers, therefore, need to consider indigenous values and conditions when asserting the immediate applicability of American-style liberal democracy in Asia.

This is the second collaborative effort of Professors Simon and Emmerson in the NBR Analysis. Research for these articles was conducted under the auspices of the project "Security, Democracy, and Economic Liberalism: Implications for Peace and Post-Cold War Policy in the Asia-Pacific," funded by the United States Institute of Peace and the United States Information Agency. These papers were initially prepared for the conference "National Strategies in the Asia-Pacific: The Effects of Interacting Trade, Industrial, and Defense Policies," held in Monterey, California, March 28–29, 1996, sponsored by the Monterey Institute of International Studies and The National Bureau of Asian Research.

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# SECURITY, ECONOMIC LIBERALISM, AND DEMOCRACY: ASIAN ELITE PERCEPTIONS OF POST-COLD WAR FOREIGN POLICY VALUES

*Sheldon W. Simon*

## Introduction

World politics in the 20th century has been dominated by a structural-realist realpolitik paradigm through which states aligned with or against each other for protection and expansion. Concerns about domestic political and social conditions were distinctly subordinated in security policy to more mechanistic balance-of-power considerations. This paradigm required, however, easily identifiable blocs of states as allies or adversaries. With the Cold War's end, conditions for such realpolitik, great-power foreign policies have evaporated. No new road map for policymakers has yet been drawn.

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Nevertheless, policy councils throughout the world are debating new paradigms; these debates reveal a divergence between the concerns of states that are primarily regional actors from those that are primarily global. The United States under President Bill Clinton has formulated a new foreign policy, the "enlargement of free-market democracies," to replace the containment of Soviet communism as the centerpiece of U.S. foreign policy. The unique objective of the Clinton Administration's global policy has been to elevate the character of other countries' domestic regimes to an American foreign-policy priority. Based on empirical findings that democratic governments have not fought one another in the 20th century and that governments committed to international trade prefer peace to war, Clinton's national security and foreign policy advisers believe they have identified a formula that will promote both global peace and prosperity.

In Asia, however, this emphasis on democracy (including the promotion of human rights) is frequently interpreted as a sign that the generally positive previous American roles of protector, investor, and trade partner might be replaced with one which intends to impose ethnocentric Western values on polities unwilling or unable to accept them. U.S. National Security Advisor

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Anthony Lake, for example, has advocated not only support for fledgling democratic systems, but also policies to promote the liberalization of states considered hostile to democracy and markets.

America's recent concern with the domestic political order in Asia, combined with its reduced force-projection capabilities in the western Pacific, provide an impetus for the states of both Northeast and Southeast Asia to create new regional economic and security dialogues. A major purpose of these dialogues is to determine whether the time is ripe for new Asia-Pacific arrangements in which the United States, though remaining an important regional player, will share center stage with several others. In fact, until recently Washington displayed no enthusiasm for multilateral security discussions in the Asia-Pacific. Nevertheless, in the last few years a growing security dialogue has emerged in Asia at both the official and unofficial levels. This dialogue has centered on the annual post ministerial conferences of the Association of Southeast Asian Nations (ASEAN),<sup>1</sup> and its unofficial counterpart involving academics, journalists, and members of regional think tanks. While Southeast Asia is the venue for these talks, their substance covers the whole Asia-Pacific region. The talks were initially motivated by the uncertainties of a regional security environment in which China and Japan appeared to be increasing their power-projection capabilities just as the Cold War superstructure was disintegrating. Thus the July 1992 ASEAN foreign ministers conference for the first time openly called on the United States to retain a military presence in the region.

In light of these changes, President Clinton altered U.S. policy toward regional security discussions in his July 1993 speech to the South Korean National Assembly. Although reassuring American allies in Asia that bilateral arrangements would be honored, the President endorsed security dialogues among Pacific countries, even urging neighboring states to explore joint security arrangements on their own. Like other American presidents before him, Mr. Clinton noted that the diversity of security threats in Asia precluded the creation of a single institution to cope with them. But unlike Presidents Reagan and Bush, he proposed a number of overlapping security activities, from multilateral discussions on specific issues (such as the Spratly Islands) to confidence-building measures, such as the discussion of defense doctrines, transparency in weapons acquisitions, and conflict management.

Just a few weeks after President Clinton's address in Korea, the ASEAN ministerial meeting in Singapore inaugurated a new ASEAN Regional Forum (ARF) to discuss political and security issues for the whole of Asia. In addition to the then-six ASEAN states and the Association's regular dialogue partners,<sup>2</sup> the Regional Forum also added Russia, China, Vietnam, Laos, and Papua New Guinea. Its membership is similar to that of the Asia-Pacific Economic Cooperation forum (APEC). The ASEAN Regional Forum convenes annually, as does a group created exclusively for ASEAN senior foreign affairs and defense ministry officials, the Senior Officials Meeting (SOM). This latter body, which meets some months before the Regional Forum, serves to hammer out a common ASEAN position for the larger gathering, just as the East Asian Economic Caucus (EAEC) may attempt on economic issues within APEC.

At the top of the U.S. agenda for the ASEAN Regional Forum are efforts to halt the spread of weapons of mass destruction. For the ASEAN states, however, concerns focus on a peaceful resolution of the territorial disputes in the South China Sea, as well as on the development of ASEAN's Treaty of Amity and Cooperation into a regional code of conduct. The body has identified a core group of five countries—Australia, New Zealand, the United States, Japan, and China—that it hopes will accede to the treaty. The common hope of Regional Forum promoters

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<sup>1</sup> As of June 1996, the members of ASEAN are Indonesia, Malaysia, Singapore, Thailand, the Philippines, Brunei, and Vietnam (which became a member in 1995). Burma (Myanmar) was given observer status in mid-1996 and is expected to become a full member of ASEAN in 1997.

<sup>2</sup> The dialogue partners are the United States, Japan, Australia, New Zealand, the Republic of Korea, Canada, and the European Union. Cambodia became a member of the ASEAN Regional Forum in 1995. India and Burma (Myanmar) were added to the ARF in 1996.

is that potential antagonists could sit around the same table together and at least agree to address their differences without hostility.

However, just as the United States seems to be moving toward multilateral approaches to regional security, its concern over human rights in such important countries as China could have the unintended effect of derailing the process. If, for example, China and Indonesia are key countries for maintaining stability in Northeast and Southeast Asia, then a U.S. policy that diminishes the totality of its relationships with these countries and devolves primarily to human rights questions could become counterproductive. Such a policy could reduce American influence on regional security without increasing its ability to affect the domestic politics of the region's members.

Complicating the policy dilemma is the continued threat or use of sanctions by the United States and others to pressure various East Asian governments over human rights and other democracy issues. Cutting off trade or aid—including International Military Education and Training (IMET)—to nations that violate certain democratic standards, for example, severs important positive international links and reduces any liberalizing effects that come with those links. Moreover, there is a paradox in championing the goal of liberal markets while using means that curtail them. But a practical question may be the most critical: since the highly competitive economic environment of East Asia would seem to require multilateral coordination for sanctions to be effective, what are the real prospects for their use? What regional forum, if any, would be appropriate for a discussion of sanctions and could serve as the legal authority for their implementation—that is, what could be the functional equivalent of the Organization of American States in this regard? Sanctions are not effective unless all major suppliers agree to adhere to the sanction regime. Otherwise, the sanctioned country can buy elsewhere. For example, should the United States prohibit The Boeing Company from supplying aircraft to China because of the latter's violation of intellectual property rights, Europe eagerly awaits the opportunity to sell the Airbus.

The purpose of this article is to examine the effectiveness of a U.S. foreign policy that simultaneously emphasizes the development of human rights, liberal economic policies, and democratic institutions for Asian partners while encouraging defense cooperation among these states and Washington. This article is based on interviews with foreign and security policy research specialists from throughout the Asia-Pacific region.<sup>3</sup> The interviews reveal Asian perspectives of their own security needs, economic development strategies, and attitudes toward political liberalization, which can then be compared with U.S. policy preferences. Priorities, tradeoffs, and complementarities (or their absence) were examined. These interviews raised some interesting questions regarding the relationship between American foreign policy goals and the current trend toward regionalism and multilateral cooperation in the Asia-Pacific region. The compatibility of U.S. bilateral economic and security relationships and such multilateral fora as the APEC forum and ARF is assessed, and questions are asked about how these bodies affect the U.S. position in East Asia.

Specifically, the questionnaire developed for this study (see Appendix) elicited the opinions of research analysts, academics, and government officials regarding:

- (a) their country's national and regional security agendas;

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<sup>3</sup> From late September through mid-November 1995, the author conducted approximately 30 hours of interviews in the United States, China, Japan, Taiwan, Malaysia, Indonesia, and Singapore. (Korean, Australian, and Philippine specialists were also interviewed in the course of this research.) All respondents are specialists on their own country's foreign and defense policies. Additionally, most are affiliated with foreign policy research institutions that deal with regional multilateral organizations such as the ASEAN Regional Forum. Many of the respondents help set the agenda for long-term regional security planning on issues that go beyond the daily responsibilities of busy government officials. These longer-term issues have become the province of national research organizations, many of which are affiliated with one another through international nongovernmental linkages such as the ASEAN Institutes for Security and International Studies and the Council on Security Cooperation in the Asia-Pacific (CSCAP). Some respondents asked to remain anonymous.

# REALISM OR EVANGELISM? SECURITY THROUGH DEMOCRATIZATION AS A NATIONAL STRATEGY

*Donald K. Emmerson*

## Democracy and Security: Euphoria Remembered

From 1989 to 1991, for anyone who had hoped through the long years of the Cold War for the eventual triumph of democracy over totalitarianism, it was hard not to feel good about world events.

In 1989, scant months after a pure white “Goddess of Democracy” arose in Beijing’s Tiananmen Square, the Berlin Wall fell down. As if by chain reaction, Czech legislators voted down red power, and anticommunist Romanian rebels ended Nicolae Ceausescu’s brutal rule. By then, to be sure, Deng Xiaoping’s troops had already overturned the “Goddess of Democracy” and massacred the statue’s makers. But many, if not most, of the Americans who ventured to predict the future in China in the wake of that tragedy doubted that the butchers of Beijing could prevent democratization. In the aftermath of the Tiananmen massacre, to my knowledge no respectable China-watcher argued that China was inherently or permanently incapable of democratizing, or that Chinese culture and democratic politics were somehow forever destined to remain incompatible. Typically, on newspaper opinion pages and talk shows, revulsion over the killings was accompanied by cautious optimism: Democracy would come to China. If not this year, perhaps the next; and if not then, perhaps the year after, or the following year, or the year after that. One would have to wait, but not too long, and certainly not forever.

By the end of 1989, Francis Fukuyama had taken the end-of-communism argument one step further into the possible ending of history itself, on the grounds that communism’s downfall had left nothing standing that could compete with liberal democracy and market capitalism on a global scale.<sup>1</sup> And as the number of liberal-democratic and market-capitalist countries grew, the world would become more secure. No longer would there be any reason to defend either system against an alternative; there were none. Fukuyama’s thinking struck many at the time as wishful—erudite and intriguing, but wishful all the same.

In October 1990, more than a year after the massacre in Beijing, I found myself in the Boston area attending a seminar on Asian democratization sponsored by the Asia Foundation. Among those present was a well known China expert who argued eloquently that the Tiananmen students and the Chinese peasantry understood freedom in the same way, were equally dedicated to bringing it about, and would soon rise up to transform China into a democracy. Yet on the freedom scale of a leading human rights monitoring organization, Freedom House, as of Janu-

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<sup>1</sup> See his article, “The End of History,” *The National Interest*, no. 16 (Summer 1989), pp. 3–18.

ary 1996 China still received the worst possible score<sup>2</sup>—as if nothing had changed in the six-and-a-half years since the crackdown.

Chinese politics have changed,<sup>3</sup> but they are by no stretch of the imagination liberal democratic. Overly optimistic observers underestimated the sustainability of Leninism. The income-raising effects of economic reform made political reform less urgent. Not all Chinese conceived of freedom first in political terms. By initially satisfying the desire of rural dwellers to be free from hunger, Deng Xiaoping made it easier to deny freedom of speech to urban students and intellectuals. Even in the cities, many Chinese were willing not to make waves so long as they could keep making money. Against the wishful thinking of outsiders, pragmatic compromises helped prolong authoritarian rule.

Meanwhile, economic gaps between the coast and the countryside have been growing. The benefits of decollectivizing agriculture have faded in memory. Rural dwellers have wearied of mistreatment by local party cadres. Rural as well as urban crime is on the rise. Beijing cannot rely as it may have before on a peasantry materially coopted into quiescence.

Even if these trends do signal expanding demand for a more accountable government—a plausible if debatable inference—it does not necessarily follow that China’s rulers will choose to respond with concessions instead of repression. And even if a supply of democratic institutions and practices does arise to meet the demand, it does not necessarily follow that a more democratic China will behave in ways conducive to regional security. The democratization of China, by entrenching nationalism as a popular mandate, could make it harder, not easier, for Beijing’s leaders to compromise with neighbors for the sake of peace in the region. This could be especially true in the dangerous and possibly protracted phase when democratic ways are being experimented with but have not been institutionalized.

Thus, looking back on that Asia Foundation seminar in 1990, I remain persuaded that in those euphoric days too many observers of China and other developing countries were excessively sanguine about the prospects for democracy within states and its conduciveness to security among states.

The optimism was understandable. If 1989 had been a banner year for democracy and security, 1990 had brought more encouraging news: the surrender of drug-trafficking, election-canceling Panamanian dictator Manuel Noriega to U.S. troops; the end of Yugoslav and Soviet communist monopolies on power; the end of Leninist rule in Nicaragua through a peaceful election; the release from prison of Nelson Mandela and the unraveling of South African apartheid; a U.S.-Soviet arms accord; NATO’s formally declared epitaph for the Cold War and its proposals for East-West cooperation; the reunification of Germany as a democracy; and Lech Walesa’s and Jean-Bertrand Aristide’s respective electoral accessions to the Polish and Haitian presidencies.

The first half of 1991 brought more good news: American-led United Nations troops restored the security of Kuwait by reversing Iraq’s invasion of that country; majorities in the Baltics voted for independence from the U.S.S.R.; Albania’s holdout communist regime resigned; and the South African parliament repealed apartheid.

## **Democratizing Asia: First Principles, Second Thoughts**

It was against this backdrop of spectacular progress toward a more democratic and secure world that I found myself in July 1991 at another meeting on democratization in Asia, this one

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<sup>2</sup> *Freedom in the World: The Annual Survey of Political Rights and Civil Liberties, 1995–1996*, New York: Freedom House, 1996, p. 536.

<sup>3</sup> Examples of such change include elections at the village level that are sometimes competitive, a somewhat more autonomous National People’s Congress, fewer political prisoners, and the willingness of at least some Chinese to use the courts and the media to express grievances against administrative misconduct by officials. For details, see China scholar Minxin Pei’s letter to *The New York Times*, May 15, 1996, p. A20.

convened in Santa Cruz, California, again by the Asia Foundation. Our task was to debate and recommend first principles for a project to promote democracy in Asia which the Foundation would then implement using public and private funds.

The good news continued, right up to and following that weekend in Santa Cruz. On the eve of our meeting, the Warsaw Pact dissolved itself, and Boris Yeltsin became the first freely elected president of Russia. Soon after our conference, George Bush and Mikhail Gorbachev would negotiate a strategic arms reduction treaty; China would endorse an earlier treaty on nonproliferation; Moscow would recognize the independence of the democratizing Baltic republics; Israel and the U.S.S.R. would resume diplomatic relations broken off 24 years before; the last American hostages in Lebanon would be freed; the Soviet Union would dissolve into a potentially democratic Commonwealth of Independent States; and the 12-year civil war in El Salvador would come to an end.

There were a few disturbing notes on the margins of all these good tidings. In 1989 Iran's Ayatollah Khomeini called on Muslims to kill writer Salman Rushdie. The ostensible defeat of Saddam Hussein in Kuwait did not stop the Iraqi leader from launching a campaign against Kurds and Shiites in his own country. In September 1991, on a single day, the Serb-led Yugoslav army attacked Croatia, and Haitian troops overthrew President Aristide.

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In Santa Cruz in July, however, it was almost impossible not to feel encouraged about the prospects for democratization and security alike around the world. As the world became simultaneously more democratic and more secure, it was tempting to infer from this co-occurrence a causal logic: that as countries democratized, the actuality and likelihood of violence inside and between them would recede, and vice versa. The higher the democratic tide rose on Freedom House's charts, and the farther back from midnight and nuclear armageddon the *Bulletin of Atomic Scientists* pushed the minute hand on its famous clock,<sup>4</sup> the easier it was to believe that these two motions engaged each other in a single mechanism whereby the spread of democracy would continue to spread peace, which would make further democratization possible.<sup>5</sup>

It was in this upbeat ambiance in Santa Cruz that I could not help wondering aloud to my co-participants—American and foreign academics, activists, and policymakers, one of whom would become the U.S. ambassador to the United Nations—whether any among them might be

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<sup>4</sup> Since it first adorned the journal's cover in 1947, the closest the clock ever got to apocalypse was three minutes to midnight. This nearest-the-brink setting came in 1953 following the first (American) test of a hydrogen bomb. In 1991, after the Strategic Arms Reduction Treaty was signed, the *Bulletin's* editors moved the clock back farther than they ever had: to seventeen minutes before midnight. The clock's hands are still in this most optimistic position. We should remember, however, that their setting symbolizes the chance of a specifically nuclear catastrophe, not war in general. See "Word for Word: The Doomsday Clock," *The New York Times*, December 3, 1995, section 4, p. 7.

<sup>5</sup> If a third desired value is added to democracy and security, namely, prosperity, we have the makings of what I have called the "virtuous spiral." By its more-is-better logic, increasing prosperity should engender democracy, which should bring about security, which in turn should enable further prosperity, and so on through rising loops of improvement. On the (non)operation of this spiral in U.S. foreign policy toward Southeast Asia and inside the countries of that region, respectively, see my "US Policy Themes in Southeast Asia in the 1990s," in David Wurfel and Bruce Burton, eds., *Southeast Asia in the New World Order: The Political Economy of a Dynamic Region*, New York: St. Martin's, 1996; and "A Virtuous Spiral? Southeast Asian Economic Growth and Its Political Implications," in George Yu, ed., *East Asia's New World Order*, Basingstoke, England: Macmillan, 1996.