

Foreword

THIS VOLUME is the product of research undertaken by a multinational team of emerging intellectual leaders in Asia Pacific under the directorship of Han Sung-Joo, president of the Ilmin International Relations Institute at Korea University and former foreign minister of Korea. This research project on the theme of "Values, Governance, and International Relations" was launched in April 1997, just a few months before the devastating financial crisis that affected many Asian countries, including Thailand, South Korea, and Indonesia. The financial crisis made the project even more relevant than originally conceived, as the project was designed to examine the interrelation of changing values and domestic governance with the foreign policy behavior and international relations of countries in the Asia Pacific region. In short, the financial crisis touched off serious soul-searching on the part of government and political leaders as well as intellectual leaders regarding the system of governance of each society, which had served them well during the growth period; the values that had seemed to have been undergoing major changes in the face of fast economic growth; and the growing complexity of managing external relationships in the changing environment.

Emerging intellectual leaders, mostly from major research institutions, were recruited for the project from Australia, China, Indonesia, Japan, Malaysia, the Philippines, Singapore, and South Korea. A European researcher was added to the research team to reflect an external perspective in the exploration of the theme. In producing the papers collected for this volume, the writers were asked to address, in each respective country/regional perspective, such questions as: How is socioeconomic change affecting basic values and styles of domestic governance? What values are being contested within the society? How do these contestations relate to the political influence of different

groups within the society? How do these contestations affect foreign relations? Do foreign policymakers or does government seek to project values into foreign affairs, or do they feel that other countries are projecting values that must be defended against?

This project is part of the Asia Pacific Agenda Project that was initiated by the Japan Center for International Exchange in 1996 with the participation of a consortium of policy research institutions in Asia Pacific to promote policy research and dialogue in the region. It was felt that enhancement of active intellectual interaction through the broadening of networks among independent or quasi-independent policy research institutions as well as among intellectuals would make an indispensable contribution toward the process of building an Asia Pacific community. The close collaboration among the young researchers from diverse countries in Asia on this project reinforced our strong belief in the importance of involving in these activities emerging intellectual leaders who are expected to become major actors in the international network of policy research and dialogue.

I would like to take this opportunity to express my deepest gratitude to, first, Han Sung-Joo, who, despite his extremely busy schedule, spent so much time and energy guiding the members of this joint project, and also to all the participants of the project, who worked very hard to produce the papers included in this volume. Last but not least, I wish to express our most sincere appreciation to the financial supporters of the project, most notably the Ministry of Foreign Affairs of Japan and the Nippon Foundation.

YAMAMOTO TADASHI
PRESIDENT
JAPAN CENTER FOR INTERNATIONAL EXCHANGE



Asian Values: An Asset or a Liability?

HAN SUNG-JOO

IN RECENT YEARS, Asian values have been touted as the driving force behind Asia's rapid and remarkable economic strides during the past decades. Politicians and scholars have used the concept for a variety of purposes. Some have done so in response to Western criticism of Asia. Others have invoked the concept to legitimize a regime in power and its political system. Yet others have used the term to protect values considered necessary for good government from the decadent influence of the West. For some in Asia and elsewhere, the interest in Asian values has been motivated by a genuine desire to discover the source of Asia's rapid economic development.

Whether Asian values exist and, if so, how to define them, has been discussed along with the role of values in respective Asian countries' economic development. The financial and economic crisis, which started in Thailand, spread to Malaysia, Indonesia, and South Korea, and also affected economies such as Singapore and Hong Kong, has generated further debate. Japan, which set the initial example of economic success that other Asian countries sought to emulate and which was expected to become the world's number-one economy only a few years ago, began too to show its structural deficiencies. All of which have raised a key question: To what extent are Asian values—once credited with the remarkable economic success of many Asian countries—responsible for the difficulties of these countries today? To the degree that they can be delineated and identified, Asian values at a minimum failed to prevent the current crisis.

One perspective suggests that Asian values, which were helpful

during the early industrialization and pre-globalization stage of development, have actually impeded these Asian countries in adjusting to the new age of interdependence and globalization. A paternalistic state, government guidance and protection of private enterprises, a communitarian outlook and communalistic practices, and an emphasis on social order, harmony, and discipline—those traits generally considered to be Asian values—seem to have helped in the earlier stages of industrialization and economic growth. But, among many attributes, the new age of globalization requires transparency, accountability, global competitiveness, a universalistic outlook and universal practices, and an emphasis on private initiatives and the independence of the private sector. These traits are associated with “Western” values and are underemphasized by, if not antithetical to, Asian values. What were once attributes of economic success are now seen as a cause of economic trouble.

Does this mean that Asian values are no longer important? There are at least two reasons why they are still relevant. One is that, regardless of their functionality or dysfunctionality, the behavior of Asian countries will continue to be guided by such values, perhaps not in their present application, but at least in their basic formulation. Asian values will remain salient factors for Asian economies. The other is that countries such as Singapore, perhaps the most ardent advocate of Asian values, have adjusted to globalization with less trauma than other Asian countries. True, Singapore’s size and its own style of political leadership may account for the difference in how the crisis has affected its economy. But one cannot discount the possibility that selective and intelligent utilization of Asian values has enabled the city-state to weather the current troubles of most Asian economies.

Values such as an emphasis on a consensual approach, communitarianism rather than individualism, social order and harmony, respect for elders, a paternalistic state, and the primary role of government in economic development could be described as peculiarly Asian. Others tend to think of Asian values as basically traditional values and Western values as essentially modern ones, so that the primary difference between the two sets of values represents more temporal than spatial distance. Even when the presence of obviously non-Asian traits is admitted, these traits are felt to be acquired through time rather than necessarily being culture-bound (see chapter 9 by Stephanie Lawson).

Nonetheless, there are values and patterns of behavior that are common to Asian countries and peoples. Similarly, the differences in values

within the area that is geographically defined as Asia must be recognized.

There is, for example, great variation among Southeast Asian countries. Indonesia represents an amalgamation of traditional Javanese culture, Islamic influence, and the military/pragmatic orientation of former President Suharto's "New Order." Even though Indonesia's value system has in some ways been defined by the elite, it has had to be persuasive to the masses, too. Elements of Pancasila, based largely on traditional Javanese culture, have been harmonized with Islamic fundamentalism, while the New Order value system, which according to Rizal Sukma (see chapter 5) incorporates both traditional and Islamic cultures, emphasizes a consensual approach, communitarianism, social order and harmony, respect for elders, deference to authority, and government which benefits the state and the people. The middle class accepted and supported these values because it wanted stability and development. Lately, the persuasiveness of the New Order value system seems to have reached its limits, largely due to changing values of the middle class, but also because of the system's difficulties in coping with the challenges of globalization.

In Malaysia, the role of religion, specifically Islam, has been more prominent than in other Southeast Asian countries including Indonesia. Malaysian nationalism, which is essentially based on Islam, is asserted in relation to the West as well as in the domestic context. In Malaysia more than in any other country, Asian (i.e., Malaysian) values are defined and identified in contrast to Western values. As in Indonesia, the political elite has utilized its cultural legacy to enhance the legitimacy and authority of the government. The future of the Malaysian economy thus depends very much on how the productive aspects of Asian values—such as pragmatism, hard work, a high savings rate, and an orientation to achievement—fare relative to other values (see chapter 6 by Farish A. Noor).

The Philippines often gives the impression that it is an exception in the discussion of Asian values. Filipinos, when talking of their country's Catholic tradition or the high English literacy rate, seem to enjoy these differences from other Asian countries. At one time Filipinos were described as America's little brothers. At the same time, it is often pointed out that Philippine society now shares more culturally with Latin American countries than with Asian countries. Despite its tradition of democratic, or at least semidemocratic, government in the past half century, the Philippines has not necessarily gained international

recognition as a genuine democracy. In fact, it has received, at best, mixed reviews. There was even talk of "damaged culture" regarding the Philippines. But the 1986 People Power Revolt might have affected Filipino values fundamentally. Segundo E. Romero (see chapter 7) attributes the redemocratization of governance in the Philippines to the People Power Revolt. According to him, "local governments and civil society have a formal and increasingly substantial role to play in government decision making and implementation." This seems to be a far cry from the so-called Asian values arguments heard from countries like Singapore and Malaysia. Yet, after the severance of its special tie with the United States through the closing of the U.S. military bases on the archipelago, the Philippines seems to have rediscovered the Association of Asian Nations (ASEAN) and its member neighbors as close partners.

Singapore represents a unique case of the successful implementation of Asian values. This was achieved by deliberately emphasizing selective aspects of Asian (mostly Confucian) values while at the same time adapting them to the requirements of both initial industrialization and globalization. Singapore has made maximum use of elements of Confucian values such as deference to authority, social discipline, government leadership, meritocracy, emphasis on education, family values, emphasis on consensus rather than contention, and acceptance of community over self. By adding to these values those of clean government, efficient bureaucracy, enlightened leadership, and national unity, Asian values have contributed to Singapore's success as a society that is rational and efficient in economic management. Singapore is also a society that is virtually corruption-free and a society that values ability rather than personal relationships. Thus, for Singapore, Asian values defined and created by the leadership have been a useful tool for legitimizing state paternalism, bringing about rapid economic development, and enabling society to adapt to the changing world (see chapter 8 by Leonard C. Sebastian).

Northeast Asian countries share many of the traits found in Southeast Asian countries. China is, in a manner of speaking, the cradle of Asian values with its long cultural history, rich intellectual legacy, and large population, and its present values are the product of a multiplicity of traditions, ideologies, and realities. China has undergone several cultural or intellectual stages: Confucianism (plus Taoism and Legalism), socialism, and now pragmatism. Chinese values today are a mixture of values from these stages that have either remained stable or

changed over time. Confucian, socialist, and pragmatist traditions thus inform China's present behavior, practices, and institutions. The Confucian tradition is found mainly in interpersonal relationships in terms of deference toward elders and authority, adherence to doctrines, and orientation toward achievement. The socialist stage has left Chinese with a system of politics and an indelible egalitarian impulse. Pragmatic aspirations are reflected in government policies and in the behavior of individuals whose main goal is economic success (see chapter 2 by Wang Yanzhong).

As the original model of Asian economic success, Japan should be considered the main and earliest exponent of Asian values. Yet Japan has its own unique traditions from being a feudal society dominated by a martial class. Economic development took place earlier in Japan than in other countries because its elite had the very pragmatic goal of *fukoku kyōhei*, or "rich country, strong army." Democratization was possible in postwar Japan not only because outsiders imposed it on Japan but, perhaps more important, also because Japan's own feudal legacy supported decentralization and the rotation of the political elite. Yet Japan is essentially an Asian society with the seeking of consensus, rather than adversarial confrontation, being the dominant mode of behavior. Despite the efficiency and thoroughness with which Japan achieved economic success, elements of its value system make its society susceptible to corruption, favoritism, and bureaucratism—phenomena that are common to all Asian countries, with few exceptions. Some in fact argue that it is not Japan's Asian legacy but its encounter with the West that sparked economic success.* Japan's big challenge is whether and how it can overcome these problems (see chapter 3 by Ōshiba Ryō).

South Korea presents a typical, if not extreme, case of Asian values playing both functional and dysfunctional roles in economic success. The Confucian legacy has provided solid cultural values such as the placing of great emphasis on education, a secular worldview, work discipline, an orientation toward achievement, and government playing a leading role. Against the backdrop of the tense, decades-long security situation since the end of the Korean War, military culture has played important positive and negative roles in the country's economy and politics, as Chung Oknim observes (see chapter 4). On the plus side, military culture has enhanced the organizational know-how of the

* Yamazaki Masakazu. 1996. "Asia, a Civilization in the Making." *Foreign Affairs* 75(4): 106-118.

leadership and the general public, uprooted much of the population from its traditional setting, and fostered the acquisition of group discipline and various types of skills. These factors contributed enormously to the early stages of economic development.

However, the combination of traditional and military cultures has also resulted in excessive dependence on interpersonal ties, the family enterprise system, government-business collusion, a lack of transparency, a failure to rationalize business structures, and a bloated bureaucracy. All of these have contributed to an inefficient distribution of resources, corruption, monopolies and oligopolies at the expense of competitiveness, and a failure to globalize or adopt practices and policies consistent with global norms. A glaring example of South Korea's problems is the *chaebol* (conglomerate) system. The supersized business enterprises and their groups—emulations of Japan's zaibatsu—have undeniably made critical contributions to South Korea's initial economic success. Their huge size enabled them to handle large projects, invest in technology research and development, and be competitive with other large enterprises. But they have clearly also been a cause of the current financial crisis because of overreach, dependence on government-business collusion, irresponsible and excessive borrowing, and family-style business practices which have weakened business transparency, efficiency, and competitiveness. Unlike in Singapore, the effect of Asian values on the economy of South Korea has been as negative in the later years of economic development as it was positive in the early days.

Regional and subregional variations notwithstanding, it seems reasonable to conclude that there are values which can be described as particularly Asian. Whether these values play a positive or negative role seems to depend on a particular country's stage of development, as well as how specific values within the basket of so-called Asian values are selected and combined. The international context is also important (see chapter 10 by Bernhard Stahl for a European perspective on this point). In a globalized world where goods, services, and capital move uninhibited across national borders, Asian values can be a liability unless they adapt to the requirements of transparency, accountability, and limitless competition. It is impossible to predict what future role Asian values will play. As in the past, it will depend very much on how societies and governments apply values to the challenges they face.

Asian values affect foreign relations in at least three different ways.

The first relates to the traditional "Asian way" of managing international relations. There are no uniform patterns that apply to all Asian countries, but at least in continental Asia, China has historically enjoyed a hegemonic position with which it has often claimed and secured suzerainty over surrounding people and areas. This has tended to make international relations in Asia hierarchical, with China being paternalistic and others being deferential to it. Perhaps this legacy partly explains the relative difficulty with which multilateral diplomacy is conducted in Asia.

The second way in which Asian values affect foreign relations pertains to the colonial legacy of most Asian nations. For the most part, the attitude of former colonies toward their colonial powers, whether European or Asian (i.e., Japan), is a mixture of respect, animosity, and defiance. The continuing interest of ASEAN in forming an East Asian bloc that excludes Western nations could be understood in this light. Moreover, Asian nations tend to be suspicious of former colonial powers—even though many countries' foreign policy elites are products of Western education. Many regard themselves as past victims of Western imperialism and hence deserving of compensatory treatment.

Third, Asian values have become sources of strain between Asian countries and their Western counterparts because of the latter's perception of insufficient emphasis on universalistic elements in Asian values. To many Asian leaders, Western concern for areas such as human rights and the environment is often seen as unwarranted interference at best and as revealing ulterior motives at worst.

However, as Malaysian author Farish Noor points out, Asian nations are gradually becoming acculturated into "a common set of protocols and practices," which is likely to make their entry into the mainstream of international relations both more certain and smoother. Two institutional developments will facilitate and accelerate this process—the Asia-Pacific Economic Cooperation forum, which links Asia with North America and Oceania, and the Asia-Europe Meeting process, which brings Asia and Europe together.