

# Globalization and Defence in the Asia-Pacific

Arms across Asia

*Edited by*

**Geoffrey Till, Emrys Chew  
and Joshua Ho**



Contemporary Security Studies

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# Globalization and Defence in the Asia-Pacific

This edited volume examines the impact of globalization on the economies, security policies and military–industrial complexes of the Asia-Pacific region.

The work is structured into three main parts. The first explores globalization and its general effects on the policy-making of the nation-state; the second section looks at how globalization affects a country's threat perception and defence posture within the specific context of the Asia-Pacific region; while the third explores how it impacts on a state's allocation of resources to defence, and how economic globalization affects the defence industry, with specific reference to the procurement policies and practices of different states across the Asia-Pacific.

This book will be of much interest to students of Asian Studies, International Security, Defence Studies, Security Studies and Economics.

**Geoffrey Till** is Professor of Maritime Studies in the Defence Studies Department, Kings College London, and Director of the Corbett Centre for Maritime Policy Studies. He is author of many books on defence issues. **Emrys Chew** is Assistant Professor at the S. Rajaratnam School of International Studies, Nanyang Technological University. **Joshua Ho** is Senior Fellow at the S. Rajaratnam School of International Studies, Nanyang Technological University.

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# 1 Introduction

*Joshua Ho*

Globalization, once a rather nebulous concept, has become a buzzword and entered into mainstream dialogue and discourse. Globalization as a phenomenon in itself has attracted its fair share of supporters and detractors. Supporters have celebrated its virtues and its inevitability and emphasized that globalization is economically benign and increases economic prosperity by enlarging the economic pie. Supporters have also emphasized that globalization is socially benign, and that it diminishes poverty, gender discrimination, and protects both mainstream and indigenous culture. Detractors, on the other hand, have accused globalization of lacking a human face. They see globalization as the increase in the power and influence of the multinational corporation who will pursue profits at the expense of civil liberties and human rights. In particular, opponents have feared that the phenomenon of globalization might increase poverty or the rich–poor divide, increase the use of child labour, undermine democracy, harm the interests of women, dilute indigenous cultures, damage the environment, and encourage illegal flows of humanity that simultaneously fuel vices within industry such as prostitution and the consumption of drugs.

But when all is said, what is lacking is a clear, coherent, and comprehensive sense of how globalization works and how it can do better. Globalization can mean many things: it can mean economic globalization; cultural globalization, which can be affected by economic globalization; and the globalization of communications, which is one of the factors that deepen economic globalization. However, globalization in the context of this volume will focus largely upon *economic* globalization. Economic globalization constitutes the integration of national economies into the international economy through trade, direct foreign investment (by corporations and multinationals), short-term capital flows, international flows of workers and humanity, and flows of technology.

If the effects of globalization on civil liberties and human rights remain a continuing debate, the effects of globalization on defence in particular are even less well understood. What does the latest research tell us about the relationship between globalization and conflict or cooperation? How will globalization affect a state's revenue collection and, in consequence, how will it affect the way that a country allocates its budget to various priorities and to defence in particular? How will the international flows of workers and humanity, as well as technology,

affect the state's procurement and acquisition policies? Will the increasing economic integration of national economies into the international economy through trade, direct foreign investment by corporations and multinationals as well as increase in short-term capital flows alter threat perception or will new threats arrive that need to be addressed? This volume addresses these and other questions in three main parts. The first part will establish theoretical frameworks for exploring the connections between economic interdependence and international conflict, thus examining whether greater economic interdependence that comes with globalization is likely to result in greater cooperation or exacerbate existing rivalries that could lead to conflict. At the more practical level, the second part will examine how globalization affects a country's threat perception and its defence posture, locating the debate firmly within the particular time-space context of an increasingly dynamic but volatile Asia-Pacific region. The third part will examine how globalization affects a state's allocation of resources to defence, and how economic globalization affects the defence industry, with specific reference to the procurement policies and practices of different states across the Asia-Pacific.

To begin with, the first part of this volume deals with the current scholarship on economic interdependence. Authors in this section will examine the latest globalization theories and expound the relationship between economic interdependence and conflict as well as cooperation. Will greater global economic interdependence result in greater cooperation or will it exacerbate existing rivalries that might culminate in conflict?

Moving from the more theoretical and general to the more practical and specific, authors writing in the second part discuss whether globalization has significantly altered traditional threat perceptions of different countries and entities in the Asia-Pacific region. Has globalization brought with it economic competition between states and between regions and as a result exacerbated inter-state competition and increased the perception of threat, or has globalization required greater integration with the global economy and reduced threat perception? For example, economic competition brought about by globalization could increase the competition for scarce natural resources such as oil and, in the process, exacerbate traditional rivalries; on the other hand, greater economic integration with the global economy may require greater interdependency and transparency and, as a consequence, encourage greater participation in multilateral institutions and, in the process, reduce threat perceptions. Another question that is examined is whether the phenomenon of globalization in itself has created new threats that the state will have to respond to, such as terrorism, illegal migration, drug smuggling, and crimes associated with the Internet? The authors shed new light on how respective states have coped with both the new and old threats brought about by globalization, by looking at the defence concept, posture, doctrine and missions allocated to the respective militaries, and how this is likely to continue or change in the context of the different sub-regions of Northeast, Southeast and South Asia.

Authors writing in the third part deliberate whether globalization has impacted the economies of the regional countries in a positive or a negative



way, and whether the states concerned have been able to increase their revenue as a result of globalization. Have the regional and individual economies become more dynamic, allowing states to embark on a virtuous upward cycle, or has globalization resulted in net economic loss for the states and regions concerned, leading to a downward spiral? Consequently, on what basis have states allocated revenue resources for the purpose of defence? Has globalization brought about a different pattern of revenue resource allocation to the different sectors of government? For example, is defence spending increasing as a proportion of GDP, or increasing as a proportion of the national budget? What are some of the reasons for this resource allocation and how will countries continue to allocate resources in the future? Once again, such questions should be examined in the context of the different sub-regions of Northeast, Southeast and South Asia.

The third part will also examine globalization's impact on the defence industry. Economic globalization constitutes the integration of national economies into the international economy through trade, foreign direct investment (FDI) by corporations and multinationals, short-term capital flows, international flows of workers and humanity, and flows of technology. In order to remain competitive in the face of globalization, corporations have had to focus continuously on competitiveness and on areas where they have comparative advantage. Globalization has also forced corporations to establish global operations so as to be able to tap into the comparative advantages of the different countries, be it in terms of the labour pool, or access to raw materials or intermediate products. Traditional factors of production like land, labour and capital (and a more recent factor, intellectual capital) have become globalized; and firms do not have to be vertically integrated anymore but are able to have access to these different factors from the global marketplace. Have the pressures faced by profit-making commercial firms also affected the defence industry in the region? Have they had to diversify their operations into commercial activity as well to sustain operations? Will there be a scenario where we could expect a consolidation of the regional defence industry in a manner that has occurred in Europe with the creations of the European Aeronautic Defence and Space Company (EADS)? What impact would technology flows, capital flows, and human capital flow have on the defence industry in terms of its ability to harness the latest technology and hire the most talented individuals? What is the impact of such trends on defence acquisition and procurement policies? Will countries be able to maintain secret edge capability or will defence equipment and products be increasingly commoditized with similar look, feel and capability? These are just some of the questions that are addressed by the authors in the context of the different sub-regions of Northeast, Southeast and South Asia.

## **Part I Theories of globalization and defence**

In the chapter, "Globalization and armed conflict among nations: prospects through the lens of international relations theory," Brian Pollins predicts the net