



UNRAVELLING THE ASIAN MIRACLE

**Explorations in Development
Strategies, Geopolitics and
Regionalism**

**Edited by
Jayant Lele and
Kwasi Ofori-Yeboah**



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Regionalism

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Preface

Asian countries are increasingly becoming important players on the rapidly changing global scene. It is therefore pertinent that their role in global change and the impact of that change on the continent be examined. The desire to satisfy this intellectual curiosity spawned a conference on "Asia in the 1990s: Meeting and Making a New World", at Queen's University, Canada, from October 29-31, 1993.

The conference brought together academics and policy-makers from Asia and North America to engage in presentations and discussions spanning a variety of issue areas. These included strategies of development adopted by countries on the continent and lessons to be drawn from them; the role of Asia in the geopolitics of the 1990s and beyond; and the implications of emergent regionalism for the continent. Other issues addressed were the position of Asian women in the international division of labour, new social movements, and the environment. The conference gave participants an opportunity to seek theoretical coherence for the enormous intellectual, political, and economic diversity of Asia with a view to improving understanding of the dramatic changes occurring in that part of the globe, and helping focus on their relevance to the rest of the world.

This volume and its twin volume, *Asia – Who Pays For Growth? Women, Environment and Popular Movements*, contain a selection of papers presented at the conference and subsequently revised by the authors. The success of the conference and the volumes is a result of support from a number of institutions and individuals. The Social Science and Humanities Research Council of Canada, the Canadian Department of Foreign Affairs and International Trade (Pacific 2000 program), the Cooperative Security Competition Program, the School of Graduate Studies and Research, the Faculty of Arts and Science, and various schools, departments and groups at Queen's University provided financial

support. Lauren Snider, formerly Associate Dean of the Faculty of Arts and Science, played a key role in making the conference financially viable.

Bernice Gallagher, the executive secretary of Studies in National and International Development (SNID), was instrumental in keeping the planning of the conference and the completion of this project on track. Marilyn Banting was the copy editor and Shirley Fraser provided editorial assistance. Catherine Alexander, Alex Choi, Paritosh Kumar, Linda Shin and Judith Soares assisted in various ways to make the conference, the forerunner to this volume, a huge success. The tremendous support of the staff of the Department of Political Studies and the many individuals too numerous to mention here is deeply appreciated.

Jayant Lele
Kwasi Ofori-Yeboah

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1 Introduction: Situating Asia in the Global Political Economy

JAYANT LELE

During the last three decades of the twentieth century, the world has witnessed many dramatic events. Some of them directly affected the global political economy and forced significant transformations in it. The causes of these transformations and what they portend for the twenty-first century are issues of intense debate. Opinions and analyses seem to be broadly polarised along an optimistic-pessimistic continuum. The optimists see the emergence of a liberal and peaceful world of happily integrated nation-states. They point to a multipolar dispersion of economic and strategic power since the end of the Cold War era. They also see the rise of a global consensus, a "pragmatic" preference for rapid economic growth through globalization, liberalization and economic integration, guided by "market forces". They believe that such growth will bring economic prosperity and socio-political peace to increasing sections of the world population (see Callaghy 1993).

Those who challenge this golden vision point to the same set of events but conclude that increasing inequalities and the deepening persistence of tensions and hostilities, within and between nation-states, are the most likely outcomes of such growth. They find that this multipolar, fragmented world is not likely to be able to manage, let alone eliminate, proliferating conflicts. Instead, the new patterns of growth and distribution, if they persist, will exacerbate the deep and divisive economic, social and cultural forces that have been at work at least since the 1940s.

In support of their thesis, optimists draw heavily on the "East Asian Miracle" for evidence. They point to the high and sustained rates of economic growth over the last three decades, unmatched by any other region of the world. The spectacular performance of the eight major economies of East Asia (Japan, Hong Kong, South Korea, Singapore, Taiwan, Indonesia, Malaysia and Thailand), has been accompanied by relative political and economic stability and statistically significant improvements in the living conditions of the

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people. The optimists like to attribute this to prudent public policy. The managers of the regimes in these nations, it is claimed, have strived to minimize constraints on the "free play" of "market forces" and have allowed increasing integration of their national economies into a global trading order. Their success is based, in the last instance, on the single-minded pursuit of "dynamic competitive advantage" in the production and exchange of capital, commodities and services (see World Bank 1993; also Balassa 1992).

The skeptics question the miraculous qualities attributed to the "free market" and wonder whether the experience of miracle countries can really serve as a model capable of emulation. Looking at the rest of Asia, other countries of the south and at East Europe, they see growing fragmentation and increasingly violent manipulation of people's communal, cultural, subnational, national and regional identities by self-serving elites. A world of increasingly uncontrollable conflicts, in the absence of a global popular consensus on their causes, is being placed in the hands of vested interests which capitalize on and profit from the erratic flows of supermobile capital and the equally rapid and uncontrolled movement of conventional and non-conventional weapons.

Under these conditions, the world seems to be increasingly engulfed by a sense of loss of control over life and mired in fear, anxiety and uncertainty about the future. As the cycles of recurring and deepening recessions are followed by weak and spotty recoveries in the older capitalist countries, the bleak employment scenario tends to heighten the "postmodern" malaise of insecurity and disorientation (see Harvey 1989). These are matched by a sense of helplessness experienced by planners and policy-makers of nation-states. Their attempts to manage the economic and political destinies of their own people continue to be frustrated, if not swept away, by "global" forces over which they seem to have no control.

The optimists argue that the failures of the rest of the world can be explained as a result of their inability to emulate East Asia. The remarkable resilience of these miracle nations, in the face of threats and uncertainties that have plagued the global economic and financial systems since the demise of the Bretton Woods accord, is seen to be a result of the innovative responses and prudent and pragmatic adherence to a set of rational principles by the public policy elites of these nations. These rational principles are said to be derived from "sound economic fundamentals": enhance the working of markets, help prices communicate information about relative costs and foster competition (World Bank 1993, p. 366).

The skeptics have yet to come to terms with these interpretations of growth in East Asia. Much of their energy has gone towards defending the central role played by the state rather than exploring the weaknesses of this pragmatically modified neoclassical explanation of growth. Their projections for the coming decades, while suggesting caution, have not drawn on a detailed and systematic exploration of the internal political economic and cultural dynamics of the miracle nations and of their new camp-followers. While both innovative and insightful in their appraisal of the developments in the older industrial countries and in the other regions of the world, critical analysts of the global political economy have yet to attempt a persuasive prognosis of the long term socio-cultural impact of "marketist" state policies of East Asian regime managers.

Optimists happily note the fact that the East Asian approach to economic management has now spread to Indonesia, Malaysia, Thailand and even Vietnam and China. Although a late starter, "South Asia too is beginning to reform". On the basis of its recent performance, it is claimed that all of "developing Asia continues to promise rapid growth, expanding markets and excellent export opportunities" (Stern 1994, p. 20), because of its pursuit of sound economic fundamentals. While lauding the wisdom and asserting the relevance of their policy performance, a World Bank report (World Bank 1993, pp. 367-68) enters an important disclaimer:

What we have not discovered fully (is) why the governments of these economies have been more willing and better able than others to experiment and adapt; answers go beyond economics to include the study of institutions and the related fields of politics, history and culture.

It excuses itself by claiming that taking "such large realities" into account complicates the task of development. It recommends that policies "compatible with existing institutions" be used and those that exceed "the economy's institutional capacity" be avoided while trying, at the same time, to "improve" those institutions.

The Asian experience has become central to our understanding of rapidly unfolding global trends. It becomes imperative, therefore, that a thoroughly systematic exploration of these "larger realities" and their interconnections is undertaken. The policy choices of the "prudent elites" and their outcomes and consequences should then be logically anchored in such comprehensive explorations. The critics of the miracle have raised doubts about the adequacy of a modified neoclassicist description of Asia's market performance, but have yet to tackle the selective nature of that reconstruction of the Asian experience and the logical inadequacies of the micro-economic assumptions behind it.

The optimists, convinced of the persuasiveness of their well documented description and analysis of the economic variables, are expecting "non-economists" to come up with causal answers, without challenging the sanctity of the "economic fundamentals". Fragmented studies of Asian cultures, politics and history and attempts to construct abstracted models do exist (see, for example, Befu 1993; Berger and Hsiao 1988; Clegg and Redding 1990; and Rozman 1991). They have failed to provide convincing explanations. Systematic and comprehensive explorations of the Asian experience that go beyond quarantined disciplinary frameworks and paradigms seem necessary. A framework that addresses the essential links between economic, political, cultural and social dimensions of life, so as to unravel their complex mutually-constraining and accelerating influences no matter how difficult to develop, is needed to help us bridge the credibility gap that separates the polarized visions of the future. Moreover, an equally comprehensive analysis of the constraining and facilitating relations between structures and policies of nation-states and the transnational structures, institutions and their interests must also form an integral part of such an effort.

The essays in this volume point only to the beginnings of such a comprehensive project. Since much of the optimistic explanation of the East Asian miracle has focused on distilling the fundamentals of policy choices over the past three decades, questions about specific

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strategies of development, about their antecedents and preconditions, about partial successes and failures and about modifications and abandonment are raised. Their relevance or irrelevance for a rapidly changing global context is also debated. Well-reasoned multidimensional analyses of development strategies are a prerequisite for those who wish to assess their relevance for other nation-states with qualitatively different antecedents and for states that are currently at very different points, in time and space.

There already exist a number of insightful, nuanced and critically distinct analyses of the development strategies of East and Southeast Asian states. However, much of the debate seems to have congealed into two polarised positions commonly described as "marketist" and "statist". The marketist position tends to reiterate the importance of the economic fundamentals and describes how steadfast adherence to them has spelled success, while deviation has often led to serious economic downturns. The statist, on the other hand, have emphasized the pre-eminence of certain types of state institutions as the necessary prerequisites for the appropriate implementation of these economic policies. They have taken a reactive rather than a counteractive stance in their response to the proponents of market reforms.

Strategies of development

The chapters in the first section of the book take the debate on development strategies several steps beyond the reactive statist response. Surendra Patel, in his panoramic view of the world, measures the magnitude and the significance of the performance of the Asian economies in terms of the three power blocs (East Asia, North America and Western Europe). He places the development discourse of the economists of the previous era in its historical, geopolitical context, comments on its irrelevance for the Asian experience and attempts to draw lessons from its failure for economic theory in general. He argues that the government/market distinction fails to capture the eclecticism of the policy package that produced high rate development in parts of East Asia. Patel shows why "market fundamentalism", like the previous discourses of the economists may also not outlive the context in which it received its prominence.

Implicitly, Patel is commenting on the rather subtle mutual interaction between development discourses and the actions and experiences of economic policy-makers. For example, in the 1950s and 1960s, Development Economics grew in the shadow of Keynes (Toye 1987) and its theses were more in the "Marx-Schumpeterian tradition" than that of Mill and Marshall (Chakravarty 1980). Even though they employed marginalist constructs, Nurkse, Rosenstein-Rodan or W.A. Lewis were more concerned about the imperfections and irrationalities of actually existing markets than the virtues of their abstracted perfectibility. Since their perspective resonated with the actual experience of colonial-imperialist underdevelopment, under which many of the leaders of the newly independent nations had grown up, a certain correspondence between the theory and the practice of national elites evolved (see Alam 1989).

In contrast, in the frontline Asian states of the American Cold War machine, techno-economists were able to successfully shield "perfectible" market signals (often narrowly

defined in terms of exchange rates, tariff levels and interest rates) from the vagaries of domestic and international counterforces. Market signals were freely manipulated to launch the process of export-oriented industrialization. The relative success of these strategies provided a contrast to the lackluster performance of the nations that had tried to protect their domestic infant industries from dominant global market forces. This contrast fuelled the conservative counter revolution in the Economics of the 1970s. Although Patel does not deal with them, serious challenges to that counter revolution of "market fundamentalism" have already surfaced from within economics. They not only point to the "corset-maker's" mentality of the marketists (Sen 1984) and the imperfections and irrationalities of the actually existing markets, but challenge the very link between "market solutions" and "Pareto optimality". Their challenge is based on "important insights and new tools of analysis originating from the literature on industrial organization". These, says Mundle (1993, p. 1880), have revolutionised both public economics and the theory of international trade.¹

The issue of new industrial organization, as the problem of industrial restructuring, is at the heart of the critique of the statist-marketist debate in the chapter on Hong Kong by Tai Lok Lui and Stephen Chiu and in Frederic Deyo's study of Thailand and the East Asian NICs. Lui and Chiu place the Hong Kong experience within its historically specific, colonial context and in a comprehensive analytical framework that connects the domestic institutional and organizational setting with the changing trends in global capitalism. They point to the small local manufacturer as the main agent of Hong Kong's industrial development and explain the constraints under which a highly flexible production process based on labour intensity is evolved, at the expense of high skill, high technology innovations. For them, these innovative responses point to the inadequacy of both *laissez-faire* and *dirigisme* as appropriate explanations for Hong Kong's growth path. Lui and Chiu thus highlight the fact that the decisive role in distorting Hong Kong's growth path was played by the colonial state. It fractured class interests along racial lines, and was thus able to protect the interests of metropolitan capital and the state (also see Choi 1994).

Deyo points more directly to the changes that are occurring globally, in production processes, and links them to equally basic changes in the structure of demand for the products of Asian economies. He places the problem of flexibility in the so-called "post Fordist" era in this dual context of dramatic technological changes and equally dramatic and perhaps more decisive changes in the structure of demand, in response to the volatile and ephemeral attachment of consumers to styles and tastes in products. Deyo subjects the response of the various agents of growth in Thailand to these shifting circumstances and examines their restructuring strategies. In the absence of a strong developmental state, willing to commit itself to restructuring through investment in human resource development, short-term, cost-cutting strategies have been the predominant response of Thai manufacturers. These, Deyo points out, will not lead to a high-tech industrial future for Thailand. He suggests that similar problems are also surfacing in Malaysia. In contrast, the states in South Korea and Singapore have, through state-based or state-mandated investments in education, training, housing and public health, produced lasting changes in the structure of industrial production.

Deyo's update on the role of the state, contrasting Thailand and Malaysia with Singapore and South Korea, brings us back to the earlier question, raised by the World Bank team: Why have the governments of some economies been more willing and better able than others to experiment and adapt? Lui and Chiu have hinted at the fact that colonial states do not, given their commitment to metropolitan capital and state interests, act as developmental states. Deyo has noted the association of the developmentalism of Singapore and South Korea with their tight government control over trade unions and the encouragement of autocratic management. While more flexibility was introduced in shop-floor production through these strategies, he suggests that this may hinder long-term innovation and restructuring in the absence of fundamental political changes.

The difficulty in coming to grips with the question "why some states" lies in the fact that we are forced to treat the attributes of such states in isolation from the society in which they are firmly embedded. By merely defining some states as "developmental" or some elites as "prudent" and by pointing to the fact of their "autonomy" from some or all dominant interests, both statist and marketist escape the need for a systematic analysis of the "legitimation problems" of governments, including a study of limits to their authoritarian practices. The preference for isolating economic fundamentals of the market or political fundamentals of the state (and perhaps social and cultural fundamentals as well) tends to produce lifeless analyses of isolated sections of a social reality which no amount of eclecticism can bring back to life. In his historical survey of the evolution of China, Shingping Zhang attempts a "holistic approach similar to Weber's" and thus makes several interesting points. For him the crucial historical factor remains the Revolution, which eradicated strong structural barriers in the way of the state's developmentalism. He argues that the long "semi-colonial" experience and its overthrow provided legitimacy for development strategies of the post-revolutionary state. The continuing hostility of Western nations during most of the Cold War era further entrenched that legitimacy. However, the enormous resilience shown by the capitalist system, competitive pressure from the neighbouring, newly industrialized countries and the dramatic shifts in the global political economy, discussed by Lui, Chiu and Deyo in their chapters, eroded the bases of legitimacy of the Mao era and, in the 1970s, forced China to return to some of the older, "liberal" bases of state legitimation.

All four contributors to the first section allude to a set of changes in the global political economy (or the world system) in view of which they present their examination of development strategies of the various Asian economies. Many of these changes are seen as "new imperatives" by those arguing from different sides of the debate. Together they constitute a set of shared but often unstated presuppositions. While recognizing the danger of introducing distortions, let me summarize these presuppositions as follows:

1. that a new, flexible international economic order has come into existence, as an imperative with which all nations must cope, and which consists of:
 - (a) a "flexible" investment environment, consisting of a regime of flexible exchange rates, dominated by a community of wealth holders interested mostly in short-term maturity and large profit margins, and primarily dedicated to

rapid movement of existing assets, rather than to long range production of new ones,

- (b) an equally volatile and fickle international community of consumers of mainly "luxury" goods and services has come into existence, overlapping significantly with the one of investors and whose demand, based on tastes and preferences for "high value" products, cannot be met with the fordist methods of high volume, mass production of standardized goods,
 - (c) a regime of "flexible" and "globalized" production, increasingly dominated by those with the ability to design and develop new methods of production, forms of organization and techniques of management, often involving craft work, has emerged,
 - (d) networks of interconnected, independent, specialized and flexible (sub-contracting) firms, that rely on new and globally distributed input sources (such as plastics, synthetics and ceramics and biotechnology-based intermediate goods), and use techniques such as "just in time delivery" (JIT) and "computer controlled sequencing" (CCS), etc. are growing and have become the leading edge production organization.
2. that the Newly Industrialised Countries (NICs) and the Newly Exporting Countries (NECs) of Asia have made or are in the process of making structural adjustments that maximize the benefits accruing from the new economic order, through their political, socio-cultural and economic advantages and/or consciously implemented strategies, and that their performance is worthy of emulation, by all the currently less industrialized countries and even, perhaps, by the older capitalist societies.
 3. that an appropriate mix of state incentives and market signals is the real key to the miracles of East Asia, although there is serious disagreement as to the relative "rationality" of the two agents.

The current debate on strategies of development located within these broad parameters can be categorized into four distinct but overlapping strands:

1. the state vs. the market debate in its various, nuanced manifestations
2. the techno-determinist explanations of conditions faced and responses produced by the NICs and the NECs
3. a cultural-relativist or culture-determinist stance adopted primarily by the revivers of modernization theory so as to explain how "premodern" Asia became capitalist
4. the same stance is adopted by the ruling elites of NICs and NECs as a strategy to oppose democratic pressures from or on behalf of civil society.

These four positions are rarely articulated as distinct, mutually exclusive propositions in any of the debates. By and large, the techno-determinist and culture-determinist positions tend to be used as additional or external variables in the dominant debate over the primacy of the market or the state.

Asia and its geopolitics

The marketists tend to summarize the statist position as alluding to the prudence and pragmatism of regime managers of the East Asian states. Prudence in this case refers to their sensitivity to the signals from global markets in adjusting domestic production. This conclusion reinforces the vision of an ever-expanding process of liberalization of trade regimes and globalization of market exchanges that will guarantee prosperity to an ever-increasing number of people in the developing nations. The vision of an emerging, benign global order of prosperity and peace is also reinforced by the claim that with the end of the Cold War era, competition between states has lost its "ideological" edge. Given the multipolarity of power relations and the declining role of nuclear deterrence, that competition is seen as becoming increasingly "geoeconomic" in character, particularly so in the Asia-Pacific region (see, for example, Hsiung 1993).

Even though new regional economic and ethnic conflicts have emerged, the complex economic and political interdependence of the world and the rise and dominance of pragmatic, "economically rational" managers in a growing number of states are seen as major mechanisms for the containment and mitigation of such conflicts if not for their resolution. With the rise of geoeconomics to dominance, a creative evolution of existing organizations such as the United Nations (and, more specifically, the Security Council) is being visualized as the geopolitical equivalent of economic mediators such as the World Bank, the International Monetary Fund (WB/IMF) and the new World Trade Organization (WTO).

The more optimistic scenario relies on "complex interdependence", "dense transnational networks and interests" and "acute mutual vulnerabilities" to encourage "mutual partisan adjustments". It foresees the decline of significance for external coercion by regional powers and international agencies (Chan 1993, pp. 173-74). In this view, while the US, as the still most dominant military power (with its continuing socio-cultural and political links to the political, military and bureaucratic elites in many countries), and Japan (with its superiority in the domains of technology and capital) may exercise a new "*bigemony* (shared hegemony)" in Asia, their influence is likely to remain less important than that of the superpowers during the Cold War era. This mutual adjustment process scenario is strengthened with the claim that, in most of the rapidly growing economies of the region, a relatively stable, crisis-free environment has existed and seems to remain unchallenged (Neher 1993).

This vision of a world of geoeconomically balanced geopolitics seems to draw heavily on the self-understanding of Western nations during the post-Cold War era. Skeptics will no doubt point to the fact that security concerns in Asia, which includes a large number of slow growth economies, are likely to be substantially different from those in the West. This is the case for at least two reasons. The colonial, neocolonial legacy still haunts many nations in the region and expresses itself in the form of subnationalism and strong social movements associated with it. The desire to challenge the boundaries drawn for the conqueror's convenience gives strength to these subnational movements. The legacy of the Cold War also continues to exert a strong influence on security issues in the region and constrains prospects for mutually beneficial economic cooperation. Like colonialism, Cold

War alignments tended to oversimplify patterns of interdependence and distorted national and regional patterns of political-economic development. These historical conjunctures have continued to affect the security calculations of regime managers in the region.

When these critical dimensions of the Asian experience are taken into account, it becomes clear that the dichotomy of "ideology" and "pragmatism" has been overdrawn. In any case, for governments everywhere, pragmatism involves delicate balancing of dominant domestic interests and pacification of disadvantaged sectors by subtle and flexible manipulation of people's memories, dreams and aspirations. Economic and security issues can thus be mobilized in flexible combinations, within the constraints exercised by domestic and global forces. This flexibility accounts for the co-existence of economic integration and strategic rivalries for regional dominance. State elites both cooperate and compete alternatively and simultaneously in order to gain relative competitive advantage in both economic and security domains.

An integrated view of domestic and international forces and constraints – both strategic and economic – as they affect and are affected by actions of national and international elites, helps us go beyond isolated disciplinary frameworks. It has been pointed out, for example, that an increased thrust towards economic integration and globalization produces perversities that economists call "fallacies of composition" and which may exacerbate conflicts at the international level, thus posing both problems and opportunities for transnational capital (Gill and Law 1989, p. 493).

Such national and transnational considerations are addressed in a very specific way by the papers in the second section of this volume. In Asia, the issue of nuclear proliferation clearly exemplifies how colonial boundaries and Cold War distortions continue to influence both economic and strategic postures of nation-states. Sinha points to the interplay of profits, prestige and power in India's moulding of the nuclear question for enhancing regime legitimacy in the 1960s and the 1970s. The responses of the superpowers, based on their own calculations of the relative salience of these variables, also had to be taken into account. The colonial and Cold War distortions, including the Kashmir, China and Pakistan factors, affected and were used by India's leaders to fashion the nuclear strategy as part of its total security considerations. Sinha also stresses the significance of the predilections of individual leaders. These predilections arose as significant structural changes, partly as a result of previous policy options exercised by these leaders, confronted them with challenges of accumulation and legitimation (see Lele 1994).

With minor variations in its approach to Nuclear Proliferation (NP), India has managed to retain a consistent position on the issue throughout periods of domestic challenges and predicaments. Indian analysts are able to claim, quite persuasively, that there exists a non-partisan national consensus on this issue. The basic rubrics of India's position, that the threat of nuclear encounters is rooted in the existing arsenals of the top five monopolists, who have a history of use of violence to settle international disputes, stem from its post-independence orientation to East-West relations, and are anchored in the ravages of its colonial experience. The events following the end of the Cold War era and the dissolution of the Soviet Union seem to have only added strength to this position. Apart from the fear of intra-regional rivalries (about China and Pakistan), India's leaders are also able to invoke this reservoir of popular historical experience.

Colonial/imperial histories and Cold War distortions also plague bilateral relationships between the countries of the North Pacific, a region where, as Chong points out in his chapter, the interests of four great powers intersect. Canada's attempts to encourage a regional security dialogue encompasses the optimist vision of complex interdependence and mutual vulnerabilities that should lead to a willingness to discuss and arrive at mutual partisan adjustments. By linking security and prosperity and by broadening the concept of security to include the new crisis-prone domains of economy and ecology, Canadian leaders were in fact testing the optimist thesis about the new world order. The difficulties encountered by the Canadian initiative at the level of intergovernmental cooperation and the possibility that the same fate may confront broader Asia-Pacific initiatives point to the complex counter-tendencies that bring into question the optimistic vision in the domain of global security. Whereas moves towards economic integration in the Asia-Pacific region show somewhat greater promise at the intergovernmental level, the security dialogue may remain stuck at the level of information dissemination. This may further reinforce the co-existence of economic integration and strategic rivalries. Despite economic integration and interdependence, the race for competitive advantage may continue to contribute to, if not enhance, the disorderly character of international relations.

Chong also points to the American tendency to perceive multilateral fora as inimical to its interests. Washington's penchant for bilateralism, while exploiting multilateral channels to its own maximum advantage, has been noted by other contributors to this volume. It seems legitimate to interpret American postures towards North Pacific Cooperative Security Dialogue (NPCSD), during negotiations for the North American Free Trade Agreement (NAFTA) and in the deliberations leading up to the conclusion of the Uruguay Round of the General Agreement on Trade and Tariff (GATT), as characteristic of a post-Cold War superpower struggling to perpetuate its hegemonic dominance and to soften the impact of its serious domestic difficulties.

Such geopolitical strategies of the United States are also a key question in John K.T. Chao's analysis of the legal aspects of a possible peacetime blockade of Taiwan by China. Since the survival of Taiwan depends on access to sea lanes, such a Pacific blockade, as a means to force reunification on Taiwan, seems entirely plausible. It is indeed a common strategy, as Chao's chapter shows, for the "compulsory settlement of disputes". The likely US response to such a move is an unknown quantity for both Beijing and Taipei. Chao lists factors such as who is in the White House, the attitude of the Congress, domestic support or anger towards China and the international climate.

The poignancy of this observation has become even clearer after the Republican takeover of the US Congress in 1994, with several friends of Taiwan in key positions and battles leading to the 1996 presidential race looming in the background. While Chao's focus is strictly on legal ramifications and his recommendations deal only with revisions and reinterpretations of the rules about Pacific blockades, the broader import of this specific issue forms a background for his detailed analysis. Sinha, Chong and Chao seem to converge on a single crucial factor affecting the evolution of a benign multipolar global order: uncertainty about the manner in which the various dominant interests in the US resolve their differences and arrive at a compromise. In other words, the United States will