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for
Asian Studies



***EIAS Round Table
on
Economic and Political Impact of the Iraq War on Asia***

With the kind collaboration of Mr. John Cushman MEP

Thursday 3 April 2003, 11.00-13.00
Venue: European Parliament, Spinelli Building, Room A5E3
Rue Wiertz, B 1047 Brussels

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Conflict in Iraq for Asia**

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Just as European Governments appeared divided over plans for military operations against Iraq and their repercussions, so has the Asian region, with some states siding with the American-led coalition and others opposed or adopting a discreet attitude of providing some support while not completely endorsing the action.

While the consequences of such a split seemed graver from a European perspective, the potential fallout would appear equally significant for Asia and possibly even more dramatic since many saw North Korea and the entire Northeast Asian region as a potential or likely conflict area in the future.

Although the reshaping of the Middle East and possible actions against Iran were widely regarded as the main US priority, the regime in North Korea had clearly been designated as a part of the "Axis of Evil" targeted by President George W. Bush and tensions between Washington and Pyongyang had escalated since late in 2002 and even US opponents of operations in Iraq were citing North Korean nuclear and other activities as a more immediate threat to be dealt with.

The turmoil provoked by the debate over Iraq also appeared to have diluted or confused the earlier priority devoted by a large part of the international community, including Europe and Asia, to the campaign against terrorism in the aftermath of the September 2001 attack on US targets. This subsequent debate over the need to use military force against Iraq did not lead to automatic support for the US plans for Iraq. While some 80 or 90 countries had been said by Washington to have joined the counter-terrorism coalition, 30 or more were said to have contributed to the Iraq coalition. For some states in Asia that had taken a calculated risk in siding so openly with the US anti-terrorism plans, the consequences of being regarded as associated with the US in this controversial undertaking could be grave.

While the loyalties and logic between the Post-September 11 support for Afghanistan operations and the attack on Iraq may not be identical, the diplomacy of the US-led coalition failed to maintain or transfer this support from one theatre of operations to another. But it was noteworthy that major supporters gained by Washington in the struggle against terrorism in both Europe and Asia, including China, India, Malaysia, Russia, France, Germany and others such as Indonesia, were unwilling to support an extension advocated by Washington, London and others, to Iraq. Some of these became persistent critics and opponents, raising a question mark over future relations between Washington and other coalition members, including their willingness to assist in the reconstruction of Iraq following what they regarded as an unjustified war.

The Bush Administration has also displayed its irritation and alienation from some of these governments who did not follow its policy on Iraq, especially in Europe, where some inside and outside the Administration have threatened economic, political or security pressure or reprisals. These have ranged from withdrawal of US military forces in Germany to new supporters in Eastern or Central Europe, a boycott of French products or even a campaign to eliminate Paris' seat on the UN Security Council or others. Washington, however, seems to have been more tolerant of new-found supporters in Asia for the campaign against terrorism that did not follow it into Iraq, such as China and Russia.

The beginning of military action on March 20 had been preceded by a number of actions by Asian countries and Governments and underlined their concern not only about international political relations, but over both global and internal security issues, economic repercussions and personal and social concerns. For example, most countries dispatched aircraft or otherwise arranged for their citizens to be repatriated from Iraq or other adjacent Middle East countries for their safety. This would not only in some cases eliminate or cut off an important flow of personal revenue and remittances to their home country, but also add to employment and economic strains at home.

Other major concerns focused on the flow and price of oil and the broader impact on the international economy.

In the immediate aftermath of the launch of military operations by US and UK forces against Iraq, a number of Asian Governments announced their intentions to lend some support to these actions, while others remained prudent and still others declared some degree of disapproval or detachment.

The first category of committing some limited direct or indirect support were Japan, Singapore and South Korea. For example, Japan assigned support non-combat ships to international waters closer to the Gulf as replacements for US forces..

The political reactions, repercussions and prospects vary from country to country in the Asia-Pacific region, but it seems safe to forecast that no country will be untouched or benefit from the Iraq conflict.

And it seems evident and probable that each of the major Asian regions could experience significant geopolitical and security upheavals as a result of the consequences of the military operations in Iraq.

In summary, it appears highly probable that Northeast Asia is already experiencing a major round of arms escalation and associated tensions closely linked to the Iraqi crisis, that the relationships forged by the US in South Asia in the wake of the September 11, 2001, terrorist attack have been seriously undermined and that Southeast Asia could experience a heightened sense of internal political insecurity and instability largely sparked by the attack on Iraq. In some of the regions such trends could carry with them an increased threat from terrorism or even transnational crime. The reaction is especially acute in countries with large Muslim populations, where governments' fear increased radicalisation against US, Western symbols and local regimes regarded as too close to these targets.

In addition to these more concrete changes on the ground in the various regions, there could also be broader shifts in strategic alignments and in economic fortunes with far-reaching consequences in the ability of governments and individuals to cope with the associated strains and challenges. Throughout the region, there is also widespread general concern about the longer-term implications of the newly applied military doctrine of preemptive strike and its possible applications in some of the zone's traditional troublespots.

Many of these issues may be given an airing and give significantly higher importance to the forthcoming Foreign Ministers' meeting of the ASEAN Regional Forum (ARF) in Cambodia in June when most of the Asian and Western participants in the debate will attend the annual meeting of the regional security organisation.

The Impact on Asia

In Northeast Asia, these reactions, consequences and forecasts appear particularly destabilising and have involved a new dynamic of regional relations in the past several months. Some of this trend was based primarily on the uncertainty and tension building up simultaneous with the Iraq crisis over the situation in North Korea. The inclusion of North Korea in the "axis of evil" by President Bush in his 2002 State of the Union address and his Administration's reluctance to engage in direct negotiations until Pyongyang met US and others' terms for shutting down its nuclear programmes have sown panic in many countries in the region as too reminiscent of the building up to the Middle East clash.

This situation has in no small way contributed to an emerging arms race in the entire region which has involved not only North Korea and the US, but also Japan and other neighbours. This unsettling byproduct alone, although not initially directly related to the Iraq situation, would have been seen as a major international crisis as it had been originally some 10 years earlier when North Korea previously engaged in a nuclear development programme ranging up to missile tests.

But in the aftermath of the new crisis, both North Korea and the US have engaged in both rhetorical and concrete military actions to generally threaten regional stability. North Korea has expelled UN international nuclear security inspectors, announced its withdrawal from the Non-Proliferation Treaty, indicated its intention to proceed with nuclear development programmes and fired short-range missiles as well as indicated it could test longer-range launchers. Washington has also moved an aircraft carrier, long-range bombers and stealth fighter aircraft into the general region and individual US leaders have suggested possible military action to halt the North Korean nuclear programmes.

Partly as a result of this heightened friction, Japan has announced, carried out or debated a number of security measures. These include the positioning of a maritime surveillance ship in the waters adjacent to North Korea and the launching of observation satellites to monitor possible missile launches, taken steps to increase its capability and autonomy to intercept such missiles with Patriot defensive batteries and visualised a further Patriot upgrade and some leaders have issued comments alluding to the possibility the country could end its long-time rejection of nuclear weapons. Government officials have acknowledged and opponents have charged that Japan has supported the US so openly on the Iraqi issue because it regards Washington as its only defender in case of an attack by North Korea.

South Korea's new Government, which has advocated diplomacy to deal with the North Korean problem, nevertheless agreed to dispatch 800 non-combatant troops to Iraq as a symbol of good intentions for the US. However, the Government found itself embarrassingly resisted by its majority supporters in the Parliament and supported by the conservative opposition party.

The actions by Tokyo and Seoul in support of the Iraq war have drawn strong opposition within their own countries and also been seized upon by North Korea as confirmation of its worst fears that the US and its allies will also launch a preemptive attack against Pyongyang.

The reaction in China to the attack on Iraq at first was remarkably subdued despite the fact that Beijing has been extremely concerned ever since the NATO operations in Kosovo about the principle of intervention being developed in the West and perhaps to be used against it at some later date to justify attacks to liberate contested regions, such

as Tibet, Xinjiang or even Taiwan. Its rapprochement with the US in recent months had also previously reined in China's position on the UN Security Council during the otherwise heated debate on the resolutions concerning the Iraqi question. Subsequently, however, the country's Foreign Ministry issued a stern statement condemning the actual attack, which may indicate that national policy-making had been circumscribed in the period prior to the selection of a new national leadership.

In addition, there have also been expressions of some concern about the prospects of heightened defense capability in Japan and other states. China has been and remains preoccupied by the possibility that other states in the region, especially Taiwan, will develop defences against ballistic missiles, thereby degrading its own capability. Analysts have commented that China wants to concentrate on domestic internal economic development and not costly arms developments to counter prospective missile defences.

In South Asia, the anti-terrorist coalition that developed with the US in the wake of the Al Qaeda attacks on the US has been undermined by the conflict in Iraq, which leaders in India have vehemently denounced and which protests and publics in India, Pakistan and throughout the region have opposed. Special appeals by American leaders to the leaders of the two countries to accept the argument that the US-UK offensive was being waged as part of the joint effort they have also been associated with against terrorism and perhaps the additional and destabilising spread of weapons of mass destruction, failed to draw their support.

In India, both Foreign Minister Yashwant Sinha and Defence Minister George Fernandez have been especially outspoken against the war, although opposition Congress Party Sonia Ghandi and other leaders have attacked the Government position as "ambivalent." Quickly after the outbreak of fighting the Ministry of External Affairs in New Delhi issued a statement expressing its "anguish" of the war, which it said "lacked justification."

While Pakistani President Perwez Musharraf has been muted in his comments on the war because of his close alignment to the American anti-terrorist campaign in neighbouring Afghanistan, the national Senate has adopted a resolution against the conflict and thousands in strongly Islamist regions have demonstrated their support for Iraq and even urged the sending of Mujahedeen volunteers to assist the defence against the attackers.

But the situation for both the Pakistan and America is one of the most delicate because of the country's close but difficult involvement simultaneously with the US war on terrorism in Afghanistan and its associations with violence in disputed Kashmir and US charges that it has been the source of some of North Korea's nuclear development programmes in return for North Korean missiles. Both are concerned that US pressure on Islamabad or that Government failing to strike a balance between following the US and appeasing strong Islamist forces could weaken Musharraf and result in even more instability in the entire region.

In Southeast Asia, Singapore and the Philippines have become identified as supporting the US-UK position in the Iraqi debate and conflict. But the entire region has seen heightened anxiety about the possibility of escalation in terrorist activity in many countries. This concern has already become a growing reality to deal with in the Philippines and political instability is a major preoccupation in Indonesia where increased radicalisation could have a powerful impact on the country's fragile emerging democracy and the outcome of national elections in 2004. In Indonesia concern is not only focused on strong Islamic militancy against the war and the Government but also on the strong US backing and assistance to the Indonesian military in its struggle to retain its political

power. In the Philippines there has been both increased terrorist activity and fatal bombings and a growing US military involvement in the combat against such forces. Malaysia, despite having sided with the US drive against international terrorism, has been outspokenly critical during the entire debate and buildup to the hostilities in Iraq. Malaysian Prime Minister Mahatir has voiced strenuous opposition and the country hosted a meeting of the international Non-Aligned Movement, which was also a platform for criticism.

The aftermath

Many states in the regions have also become embroiled in the growing policy debate over the control of the future reconstruction of Iraq, with most seeming to favour leadership of the United Nations rather than the US.

But beyond that immediate issue is the question of future conflicts and stability in the region and the constellation of relations to deal with them. While Japan and Singapore appear as the most stalwart supporters of the US position in the current conflict and possible future crises, a majority has been reluctant or opposed.

Many in region have spoken of a more natural policy alignment of views between Asia and Europe rather than with a hardline American administration, but that must be counterbalanced by the obvious attraction to US military, political and economic power and influence.

In a future crisis over the North Korean nuclear development programmes and its threat of proliferation even to terrorist organisations, virtually all countries of the region put the emphasis on diplomacy, although some support possible sanctions against Pyongyang, and would resist the prospect of another US-led preemptive strike up to the last minute in what many fear could be a repetition of the Iraqi crisis. But the situation is fundamentally different because North Korean is considered as holding a strong conventional, and possibly even a nuclear, deterrent.

If the long-term repercussions of the Iraqi conflict in the region are uncertain, some of the short-term consequences are emerging, including the increased threat of political and economic instability. Whether these erupt into crises of similar proportions to the Iraqi one, however, may depend more on the unfolding of that Middle East conflagration than on many other trends and forces.

The outcome of that war, including both its military and follow-up reconstruction conclusions, as well as its ultimate cost in financial and other resources, may determine whether the Bush Administration and its new military doctrine remain viable options for the future. If not, there is also the prospect of democratic regime change in Washington, if not in 2004 in 2008.