

# **The Future Society of Asia**

by

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*“My interest is in the future ...  
because I’m going to spend the rest of my life there”*

*- Charles Kettering*

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Scholars observe that every two to three centuries a major shift significantly shakes global affairs. Also, every two to three decades, they observe less cataclysmic but still significant shifts in the social values, economic structures, political systems, culture, arts and other substantive institutions within all societies of the world. Radical lifestyle changes have also occurred in the past two to three decades. The result of such shifts is a new global order so dissimilar to the previous one that we are unable to imagine life as it was a few short decades before.<sup>1</sup> If scholars are to be trusted, the convergence of the next world shaking historical change will occur sometime between 2010 and 2020, not far from now.

The twenty-first century is now upon us, bringing with it the significant changes wrought by globalization and technological advancement, phenomena that will touch every member of the human race. To wisely handle the challenges of our age, we must understand imminent changes and prepare ourselves accordingly. Only those who possess a clear visionary perspective of the future will be able to adapt well to the changes.

This paper presents an analysis of the coming future society. More specifically, I focus on the future societies in Asia. "Asia" here does not denote the entire continent of Asia but only East Asia, i.e. Northeast Asia: China, Japan, Taiwan, Korea, Hong Kong and Southeast Asia, that is, all ASEAN countries. I do so because these parts of Asia are regarded as having a higher development level. In addition, these regions - as members of APEC and ASEM - play an important role in international politics and economics. Asia has drawn the interest of the world community throughout the past decade. Such interest includes an effort to understand the condition of Asia in the past, the present and the future. Thus, this material analyzes likely conditions within Asia over the coming two decades: in other words, what Asia could become by 2020.

The material is presented in three parts: (1) the historical development of Asia, (2) Pre-determined elements: trends and developments considered to be pre-determined or “certain,” and (3) a scenario-section.

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<sup>1</sup> Peter F. Drucker, *Post-Capitalist Society* (New York: Harper Collins Publishers, 1993), p. 1.

**Part 1**  
**Asia today:**  
**A critical review of the historical roots of Asian development**

*“What we do on some great future occasion will probably depend on what we already are.”*  
 - H.P. Liddon

According to analytical principles employed by future studies, that which will take place in the future is dependent on developments in the present and past. The future state is a continuity of what has and is taking place. Forming future projections of any society must be done by correctly perceiving and interpreting prevalent images in our present society. In like manner, the present state of a society must be perceived through the lenses of former social development. And logically, by clearly understanding a region’s historical background and present conditions, we can accurately anticipate the future state of that society.

Past Asian values, beliefs, thinking patterns, lifestyles and preferences for national development determine its social, economic and political choices in the present and future. Attempting to understand the future of this area must thus necessarily begin with understanding its historical development. Thus, the first part of this paper is a survey of historical developments in Asian society. However, because of the breadth of variation within the region, we will not provide an in-depth treatment of each nation. Instead, we will use broad strokes to paint some of the principal features of East Asia. Selection of principal features has been limited by the author to only those features which will effect significant shifts in the Asia of the future. Then I identify the strongest currents affecting this region by merging various social, economic, political, and cultural factors.

### **1. Ethnic conflicts within a country**

A closer examination of this region reveals scars of racial conflict still evident in many Asian countries: Indonesia, the Philippines, Malaysia, Myanmar, Singapore and even Japan. These conflicts, some more vicious than others, have undoubtedly affected development within particular nations. Two major causes emerge for these conflicts: human migration and fallout from colonialism.

Most migrations within Asia have had economic rather than political causes. Asians left their native countries in response to better commercial or employment opportunities. In such movements, the migrants brought their cultural and religious beliefs with them. For example, Muslim merchants brought their practices and values to Mindanau Island. Now, this island has a large Muslim community from which has originated the Moro National Liberalization Front, a Muslim movement based in southern Mindanau, who struggle for independence from the Philippines.

Racial conflicts scar Japan’s history as well. Prior to World War II, Koreans were allowed into Japan as a cheap labor source. Now this group comprises Japan’s largest minority. Though these people have been in Japan for over a half-century, they still are rejected by most Japanese. These Koreans play a muted role in society and are not treated as equals within

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Japanese society. Similar unequal treatment is given to the Barakumin and Eta, indigenous peoples of the Japanese islands.

Indonesia has more than its share of historically rooted conflict. During the earliest times of sea merchandising, Chinese merchants immigrated to the Indonesian islands. At that time, the dominant colonial power in that region, the Netherlands, adopted policies encouraging Chinese economic activity. In particular, Dutch governors opened Indonesian doors to large numbers of Chinese, viewing them as a ready workforce supply for their large farms and mines. Then, due to their enterprise and skills in commercialization, the Chinese developed themselves to the point that eventually they took many high positions within Indonesia's economic system. When the role of the Netherlands diminished, the Chinese took over vital economic roles within Indonesia. Lifestyle and cultural patterns within Indonesia's Chinese community – especially diligence, thriftiness, and self-discipline – allowed them to gain a larger share of economic influence than the native Indonesians, resulting in the perception that the Chinese benefited by taking advantage of native Indonesian people. These sentiments currently produce much racial conflict in that nation.

Severe racial conflicts dominate other countries freed from colonial European countries. This is the case particularly in nations comprised of island groupings. Historically, these countries contained many divergent people groups who were amalgamated, often forcibly, into one nation state under the leadership of a single colonial power. And when these colonies were granted independence, the European powers did not recognize differences in the various people groups but instead forced them together under a single national flag. These nations, when freed from European domination, still often contained a large number of unique ethnic minorities. In some cases, conflict between these groups was exacerbated by policy by the colonial ruler, policies which divided the various people groups under their domination. In order to easily rule the various people groups under their domination, the colonial powers often used divide and rule tactics. These strategies so aggravated the native peoples that many of the hurts and cultural scars from that period remain.

Britain, for example, rationalized its use of the divide and rule tactic in Burma by arguing that any attempts at unifying the different people groups in that region would cause the locals to unite and ultimately threaten British jurisdiction. The British administration gave the Burmese preferential treatment above the other cultural groups, for example, in the issuing of the Government of Burma Act (1935). In this legislation, the British transferred some authority to the Burmese, allowing them to manage themselves. At the same time, the British awarded territory to the Karen, Shan, Kachin and Chin peoples whose territories fell within the boundaries of British domination in the Southeast-Asian Peninsula. One result of such decisions was the minority people groups felt inferior to the Burmese and, thus, the seeds for separation and self-government were planted in these people groups.

The situation in Malaysia is no different for the Malay (47.8 % of the population), Indians (8.6%) and Chinese (32.1%)<sup>2</sup>. The earliest records indicate that the first inhabitants of this region were Malays. Thus, older geography books termed the region “the Malayan Peninsula”. Eventually, West Malaysia was composed of Malays with smaller groups of Indians and Chinese. In East Malaysia, the majority in Sarawak were the Iban, followed by

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<sup>2</sup> Zakaria Haji Ahmad, “Stability, Security and National Development in Malaysia: an appraisal,” in Kusuma Snitwongse and Sukhumbhand Paribatra (eds), *Durable Stability in Southeast Asia* (Singapore: Institute of Southeast Asian Studies, 1987), pp. 121-122.

the Chinese and Malays. In Sabah, the population was composed of the Kadazan, Bajo and Murat peoples, with smaller proportions of Chinese, Malays and Indians. In reality, therefore, the nation of Malaysia was multi-racial. But with the advent of colonialism, the British opened the country and freely accepted foreigners, particularly the Chinese and Indians. Many Chinese immigrants arrived during the mid 19th to 20th century to work in the British-controlled mines. After that, Chinese began to immigrate in large numbers to the British dominated Penang Island. East Indian migration to Malaysia rose in response to British demands for labor supplies in sugarcane fields, rubber plantations, tin mines and construction projects. Thus, concentrations of Indians exist along the west coast of Malaysia, areas where these natural resources abounded. Foreign-imposed migration policies such as these deeply affected Malayan society. Because the Chinese and Indians came in response to British demand, they were not accepted within the Malayan society. Additional resentment was generated as rural-dwelling Malays received smaller salaries and lower-class work than the Chinese, who lived in the cities and enjoyed the financial advantages of business and professional occupations. Therefore, much dissatisfaction arose against the emigrants and resulted in racial conflict within Malaysia.

Moreover, calls for separation and self-government are fuelled by additional non-historical causes. They include central government policies that disadvantage a particular group, continuing injustice in political and social spheres, fewer economic development initiatives in regions predominated by minority groups, unequal treatment of one group above another and unfair national policies.<sup>3</sup> In Thailand, for example, a terrorist group called Pattani United Liberal Organization (PULO) is pushing for separation of Thailand's four southernmost provinces whose people predominantly hold Muslim beliefs. The group cites unjust treatment by Thailand's central government in the past as reason for their feelings of close kinship with the Muslims in Malaysia.

## 2. Asian ways and values

Asia is a heterogeneous region characterized by cultural pluralism. No one culture dominates the region. The interweaving of different ethnic cultures in the region occurs to a much larger extent than in Western Europe. Indigenous values are mixed with values from the outside and then combined with values from former colonial times. This has generated a complex hybrid of values to the point that it is now difficult to decipher the exact nature of Asian values. As some people argue, any attempt to establish a common understanding of "the Asian way" can be highly problematic for valid reasons.<sup>4</sup> First, in this region no common and homogeneous culture exists. The cultures of Singapore and Malaysia contain the presence of Chinese, Malayan, Indian as well as British influence. In Indonesia, more than one hundred ethnic groups share their nation with a Chinese minority and an Islamic majority. Vietnamese culture includes heavy Chinese, French and Communist accents. Malayan, Spanish and American influences mingled with Muslim and other indigenous cultural undertones in the Philippines. The second reason it is difficult to define a specific Asian culture stems from the presence of several political extremes in the region: socialist and capitalist, hard- and soft-authoritarian, as well as semi- and full-democratic systems.

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<sup>3</sup> Robert Melson and Howard Wolpe (eds), *Nigeria: Modernization and the Politics of Communalism* (Michigan: Michigan State University Press, 1971), chapter I.; Rene' Peritz, *Changing Politics of Modern Asia* (New York: D. Van Nostrand Company, 1973), chapter I.

<sup>4</sup> Thomas Heberer, "Asian values and Democratization" in Leopoldo J. DeJillas and Gnther L. Karcher (eds), *The Development of Democracy in The ASEAN Region*, (Makati City, Philippines: Institute for Development Research and Studies, 1997), pp. 104-105.

However, if we deeply scrutinize the Asian way of living, we will find that religion plays a leading role in preventing this region to be culturally compartmentalized in a neat fashion. In my perspective, countries in the East Asian Region are influenced by three major religious ideologies which work with social and economic structures to form hierarchies.<sup>5</sup>

First, the Confucian philosophy, predominant in China, Japan, Korea and Taiwan, teaches its proponents to zealously love nature and live harmoniously within the environment. However, because proponents of Confucianism are trained to pay high respect to rulers, most people raised under this philosophy will not struggle for personal rights and freedoms, even under unjust leaders. Moreover, this philosophy places a higher value on collective rather than individual interests, community rights and liberties over those of the individual. Traditional values governing economic thought and action such as diligence, hard work, thriftiness, self-discipline, obedience and persistence are esteemed over new ideologies.<sup>6</sup> Two other nations, Vietnam and to a lesser extent Thailand, are influenced by this worldview.

The second religious influence in this region is the Hindu, Buddhist and Brahmanistic group of beliefs, held by inhabitants in the Indo-Chinese Peninsula. The influence of beliefs extends to Myanmar, Thailand, Vietnam and Indonesia's Bali. These philosophies share the foundational tenets of transmigration and karma. Thus, most uneducated people in these areas believe that a person may become a ruler because of the good karma they accumulated in a previous life. They believe some people are destined to take subservient roles in society because of a bad karma. Karma is viewed as an unchangeable destiny that is difficult to change. As a result, people will not fight to change their lot in life.

The result of such values is a people who are somewhat apathetic towards political participation. People with these beliefs rarely attempt to resist or oppose government decisions. Most people, especially in rural areas, still have a worldview that relies solely on a political apparatus which is highly centralized. They do not attempt to handle their own problems by forming self-help groups in their communities. In addition, they value paternalistic, family-oriented, consensual and patronistic patterns of political behavior. In turn, these values produce hierarchical political structures promoting the following vertically-configured values: 1) obedience towards, respect for and acceptance of authority and order; 2) high esteem for personal relationships; 3) harmony and consensus instead of confrontation, conflict and competition; and 4) priority of ethics and moral values over law.<sup>7</sup>

Similar values – such as obedience towards, respect for and acceptance of authority and order, and preference for harmony rather than confrontation – appear in Islamic states, which are state-centric and hold a strong doctrine of obedience to state. Islam, the major religion in Malaysia, is strong in Indonesia, and in parts of Myanmar, Thailand and the Philippines.<sup>8</sup>

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<sup>5</sup> Kriengsak Chareonwongsak, *Human Security in Development and Crisis* paper prepared for The 1999 Asia Leaders' Forum (18-19 April 1999) Sydney, Australia (Bangkok: Institute of Future Studies for Development, 1999), p. 10.

<sup>6</sup> Peter S.J. Chen, *Asian Values in a Modernizing Society: A sociological perspective sociology* working paper no. 51 (Department of sociology, University of Singapore, 1976), pp. 7-13.; and Thomas Heberer, *op.cit.*, pp. 104-105.

<sup>7</sup> Peter S.J. Chen, *op.cit.*

<sup>8</sup> Loekman Soetrisno, "The role of religion in the development of democracy in the Asian region," in Leopoldo J. Dejillas and Gntner L. Karcher (eds) *The Development of Democracy in The ASEAN Region*, (Makati City, Philippines: Institute for Development Research and Studies, 1997), pp. 75-78.

Religious underpinnings such as these have a deep impact on social structures within this region. Relationships in Asian society are authority-based, a characteristic of Confucian societies which demarcate people's position in society by their family background, abilities and education. Such beliefs forms the backbone of a hierarchical system in which educated people and nobles comprise the highest class and the farmers, craftsmen, merchants and laborers are deemed the lower class. Members of the lower class are obligated to serve those in the higher class. This structure eventually developed into the "master and servant" mentality commonly seen in the feudalistic societies of the past and even Asian workplaces of the present.

Examples of this trait abound in Thai society. In the past one hundred year ago, all citizens were categorized as one of two classes: first, the educated and titled nobility of society and second, the workers. The majority of citizens, the common people, were constrained to serve the upper class. One option for common citizens was to offer their services to a patron, a member of the higher class. In this way, the commoners were exempt from military or other services to the government or king. This noble-commoner relationship developed into what is termed clientelism in which the patrons protected and supported their workers. Occasionally a patron would offer the services of his workers to the king in return for a promotion in social status. In turn, the commoners – the clients – were expected to give their faithful service, loyalty and gratitude to their patron.<sup>9</sup> Eventually, the clientelism structure of Asian workplaces became the twisted patronistic relationships that promote inequality, self-centeredness and manipulation. The benevolence, generosity and loyalty of traditional Thai relationships have been replaced by a favoritism and cronyism to gain personal benefit of modern Thai society.

The religious social structures strongly influenced the dynamics and history of economic activity in Asia. In traditional Asian economic structures, with strong agrarian roots, the land was the primary means of production. Landowners came to view themselves as leaders with unquestionable decision-making privileges. Commoners could rent or earn their wages by working the land, but were deemed unfit to own land. Common people provided labor for farms and turned all produce to the landowner. At the same time, the landowner would find it in his best interest to protect his workers. Such relationship dynamics are reflective of the patron-client social pattern. Though Asian society is increasingly an industrialized society, and in some cases an IT society, most of Asian society is still in the early stage of transition period from agriculture society to industrialized one. So we cannot dispute the role that patron-client relationships still play in interpersonal relationships within the Asian society.

Although Asians continue to accept these social patterns both in ancient and modern times, in the Western mind, these Asian ways hinder political and social development. Westerners think these values block the establishment of modern values and contribute to the preservation of authoritarian structures. For example, they often view the traditional Asian family as a patriarchal hierarchy requiring strict obedience and stifling individual rights. Asian cultures are often pictured as societies where consensus and harmony rule over all other considerations. Westerners think Asian society is based on a hierarchy of relationships and

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<sup>9</sup> Akin Rabibhadana, "Organization of Thai Society in the Early Bangkok Period, 1782-1873," in Clark Neher (ed.), *Modern Thai Politics: From Vilege to Nation* (Cambridge, Mass.: Schenkman, 1976), pp. 39-53.; and Akin Rabibhadana, "Clientship and Class Structure in the Early Bangkok Period," in G. William Skinner and A. Thomas Kirach (eds), *Change and Persistence in Thai Society* (Ithaca: Cornell University Press 1975), pp. 197-218.

vertical authoritarian structures in which the law plays a subordinate role to personal relationship.<sup>10</sup>

However, Asians are beginning to defend their culture, pinpointing Western values as the cause of extensive social damage. Asians blame Western-initiated urbanization for eroded morals, accelerated materialism, family breakdown, decadence, hedonism and excessive individualism. Leaders such as Malaysia's Mahathir Mohamad and Singapore's Lee Kuan Yew as well as anti-West lobby groups stand at the forefront of the debate on this issue. Dr. Mahathir asserts that moral decadence in the West owes a lot to freedom granted in the name of democracy. He states:

*We see the difference in the practice of democracy even among those who are preaching democracy to us. Can only the preachers have the right to interpret democracy and to practice it as they deem fit and to force their interpretations on others? If democracy means to carry guns, to flaunt homosexuality, to disregard the institution of marriage, to disrupt and damage the well-being of the community in the name of individual rights, to destroy a particular faith, to have privileged institutions which are sacrosanct even if they indulge in lies and instigation which undermine society, the economy and international relations, to permit foreigners to break national laws; if these are essential details, cannot the new converts opt to reject them? We, the converts, will accept the basics but what is the meaning of democracy if we have no right of choice at all, or if democracy means our people are consistently subjected to instability and disruptions and economic weakness which make us subject to manipulation by the powerful democracies of the world? Hegemony by democratic powers is no less oppressive than hegemony by totalitarian states.*<sup>11</sup>

Moreover, the acknowledgement of shared cultural characteristics is growing dramatically among Asian nations. One can even find support for a type of Asian democracy that reflects Asian cultural characteristics and is much different from the Anglo-American brand of democracy.<sup>12</sup>

### **3. Favoring national security and nationalism, rejecting western intervention**

To understand the reasons behind the growth of these sentiments, we must follow the historical development in light of Western intervention in this region. Many Asian countries lost their independence to colonial European powers. At the end of the Opium Wars in 1860, Britain gained control over China; it ruled Burma between 1826 and 1948 and the Malayan Peninsula between 1874 and 1957. France ruled Vietnam, Cambodia and Laos from 1863 to 1955. The Netherlands ruled Indonesia between 1640 and 1949. Spain ruled the Philippines between 1521 and 1898; then, the United States took over from 1898 to 1946. As a result of past experiences with unjust and self-seeking policies of their colonial rulers, these nations were left with feelings of resentment and the drive to seek revenge against western nations. Although these sentiments run concurrently in Asian nations, the particular experiences and responses vary from nation to nation. I give a quick summary of several colonized countries below.

<sup>10</sup> Thomas Heberer, *op.cit.*, p. 106.

<sup>11</sup> *Koleksi Ucapan Mahathir: Antarabangsa* (Kuala Lumpur: Prime Minister's Department, 1991), p. 78.

<sup>12</sup> R. Bartley, Chan Heng Chee, S. Huntington, and S. Ogata. *Democracy and Capitalism: Asian and American Perspectives* (Singapore: Institute of Southeast Asian Studies, 1993).



Indonesia was under Dutch rule for more than three centuries. Today, it bears the weight of the many injustices and parasitic-type policies enforced during that era. Myriad troubles resulted from the disadvantages Indonesians suffered at the hands of their foreign governors and became the impetus for the growth of a strong nationalist sentiment in the post-independence decades. Such pessimism led to strong anti-nationalistic currents in economic, political, military and cultural affairs. Similar sentiments exist in the Myanmar who reacted to foreign domination with violence. The British were viewed as those who came and snatched their rights and threatened their nation. Conflict with foreigners is one factor provoking rising nationalism in the Myanmar, Indonesians and other Asian nations who share the burden of similar injustices.

The Asia-Pacific region is increasing its interest in national security and exerting greater resistance to Western intervention for other reasons. Because numerous Asian nations became independent after World War II, their tenure as independent nation-states is short. Tremendous gaps exist in the nation building efforts of each nation. Hence, many of them assign the highest priority to raising levels of cohesion in their nation-state. Naturally, the tendency to emphasize the stability of the nation over individual freedoms and human rights exists.<sup>13</sup> Moreover, past experiences naturally dispose some countries' governing styles towards nationalism and against western intervention.

Two causes underlie these sentiments. First, as I have explained, most Asian nations used to be colonies under western control. So, even though colonization in Asia ceased at the end of World War II, the ghosts of past memories haunted these countries when they struggled to establish their independence. All stand firm on the point that they will never again be colonized by a western power. The existence of international watchdog groups to adjudicate the invasion of territories has strengthened the hopes of leaders pushing for independence from western dominance. Another reason is that Asian nations hesitate to rely any more for help to develop their economies, political systems or even to receive protection from Communist groups due to the dissolution of the Communist threat. Increasing numbers of Asian leaders campaign on nationalistic platforms, confident in their resolution to establish a separate identity.<sup>14</sup>

As the perceived threat of western domination grows, nationalistic sentiments have increased proportionally. The result has been closer ties among Asian compatriots. The movement towards nationalism has been supported by the middle-class who adhere to the values of Asianism. These people are not only the future leaders of their societies but are currently gaining more credence in the political ear. Examples of key Asian Leaders who promote Asianism are Lee Kuan Yew and Mahathir Mohamad. Examples of governments who blatantly disregard westernism are Myanmar's military junta (State Peace and Development Council, or SPDC) and the government of the People's Republic of China. These leaders view the concepts of human rights, political freedom and civil society as western ideologies that threaten their nationhood and weaken state power. They try to control the growth of any interest groups who espouse these concepts.

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<sup>13</sup> Keizo Takemi. "Japan's Perspective on Human and Security," in Tatsuro Matsumae and Lincoln C. Chen (eds) *Common Security in Asia: New Concepts of Human Security* (Tokyo: Tokai University Press), p. 84.

<sup>14</sup> Kriengsak Chareonwongsak, *Where is the equilibrium between universal democratic values and diverse local values?* paper prepared for Asia-Europe Young Leader Symposium III (24-28 May 1999), Korea (Bangkok: Institute of Future Studies for Development, 1999), p. 8.

In the case of authoritarian or weak democratic political systems that remain in Asia, a tendency exists to perceive democracy and the promotion of individual freedoms as threats to political stability. Foreign attempts to pressure these nations to democratize are not only interpreted as non-military threats, they are fiercely resisted as infringements upon sovereignty. The governments use every tool to build their nation, including their education systems. Thus, in many parts of Asia, education is more likely to be seen as a vehicle of the state. In Asian countries the emphasis of education is on nation building, even though this emphasis may exist only in state propaganda. In China and Indonesia, for instance, the education system in the 1990s focused on making the country modern and strong, and de-emphasized individual independence. In Thailand, as in Japan, the education system is defined as the primary tool for national economic development.<sup>15</sup>

#### **4. Dependent on the powerful Western nations**

The experience of colonialism was taken another way by other countries. Some colonies viewed colonialism as the period in which the colonial power developed them. Such a positive view was taken by the Philippines who experienced a longer relationship with western powers than any other nation in the region. This attitude ran deep in the Philippine society who adopted Western culture, religion and lifestyle as their own. In this way, its response was distinct from other Asian colonies. Contrary to other Asian nations, the Philippines felt no xenophobia towards their colonial rulers. One reason for this could be the fact that the United States did not dominate the Philippines to its own advantage. Instead, its aid focused on security, military and economic issues. From the end of World War II until now, the two nations have maintained a cordial relationship. Like Japan, the Philippines has been quickly developed because of American-funded national-development initiatives established after World War II.

Positive sentiments were sometimes generated when the newly born nation states received foreign aid after World War II. Some novice leaders recognized that their out-dated technology would be incapable of using their natural resources efficiently. Thus, many sought aid from the developed western powers. The United States responded readily and granted generous aid packages to Japan, Thailand, the Philippines and even Indonesia who, under President Sukarno, had held an anti-western stance. But, President Suharto assumed leadership and reversed previous foreign policy, America was again, permitted to step in with financial assistance. Other Asian countries permitted foreign aid, reasoning that the newly formed nations would be unlikely to suffer intervention by these powers.

A further reason why some Asian countries relied on western aid was the Cold War Crisis. The growth of Communism during 1960s and 1970s severely frightened new Asian countries. The growth of Communism threatened the national security of many Asian nations at this time, particularly after both China and the Soviet Union demonstrated their willingness to assist the global propagation of communism. At this threat, Korea, Taiwan and Thailand decided to ally with the United States, thereby proclaiming their desire to sustain democratic ideals. Without American support during that period, many East Asian countries might have fallen to Chinese or Soviet-backed communism. On the other hand, it was difficult for Asian countries to embrace full liberalism because they lacked both technological and personnel

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<sup>15</sup> Colin Mackerras, Richard Maidment, and David Schak, "Diversity and Convergence in Asia-Pacific society and culture," in Richard Maidment and Colin Mackerras (eds) *Culture and Society in the Asia-Pacific* (London: Routledge, 1998), pp. 3-4.

competence. Thus, they were forced to depend on the developed nations. Shortages in several new Asian countries affected some of them, so some of them decided ally themselves with overseas powers for the sake of developing their economies.

## 5. Favoring economic development over other developments

After World War II, Asian countries joined the race towards developed nation status by implementing modernization. In many countries, plans for national development were forgotten in the rush towards industrialized capitalism. However, such development lacked balance. These countries adopted macro-policies that focused solely on economic development at the expense of political, social and technological development. These choices resulted in people who were politically apathetic, content with a low standard of living and lacked technology skills and expertise. As a result, the populations of such countries remained, for the most part, dependent on Western skill and know-how.

Rapid economic development did create wealth and economic dynamism in Asia during the past 30 years. At the same time, however, Asia's environment suffered from air and water pollution as well as decreasing agricultural lands and disappearing forests – the principal livelihoods of many poor people. In the past 30 years Asia has lost one-half of its forests and fish stocks, and nearly one-third of its land has lost fertility. Asia as a whole is the most environmentally degraded region in the world, though not all parts of Asia are equally polluted, nor is the region the worst for every environmental indicator.

Asia has many types of environmental problems of which the main ones are pollution and depletion of fresh water sources; air pollution in its cities; loss of soil fertility through erosion, salinization, and desertification; loss of forest cover, wildlife, and biodiversity; generation of toxic waste by industries; large emissions of greenhouse gases; and depletion of fisheries. The region's policy makers identify the most urgent environmental problems as (in order of priority): water pollution and fresh water depletion; deforestation and air pollution; and generation of solid waste. On the other hand, the major environmental concerns of the local communities are poor sanitation and garbage disposal, followed by water and air pollution.<sup>16</sup>

Korea was one country especially hard hit by an imbalance between the industrial and agricultural sectors. The impact of export-led economic development followed other social problems such as pollution caused by manufacturing centers located too close to urban areas, overcrowded urban communities, rampant crime and so on.

In Indonesia, a strategy of national development via industrialized capitalism during the past two to three decades helped dramatically to upgrade the Indonesian standard of living. Hence, Indonesia was able to meet domestic demand for rice production since 1984. The sale of oil has been an important means of generating the revenue needed to fuel national development. As a result of Indonesia's focus on economic growth, industrial development grew, especially in heavy industries such as oil refining, aluminum manufacture, steel manufacture, automobile production and electricity generation. However, the major problem restricting further growth was *distribution of wealth*. During times of such development, the gap between the poor and the rich in this nation also grew. Such conditions dissatisfied the poor and caused

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<sup>16</sup> Vishvanath V. Desai and Bindu Lohani, "Asia's Environment: Challenges and Opportunities," in Colm Foy, Francis Harrigan and David O'Connor (eds) *The Future of Asia in the World Economy* (Manila: Asian Development Bank, 1998), p. 197.

occasional hostilities between native Indonesians and immigrant Chinese. Moreover, migration into big cities increased resulting in a profusion of slums and crime.

Unequal income distribution in the Philippines also developed as a result of a similar type of development imbalance. About 80% of the population falls below the poverty line. Only a few rich families, especially those from Chinese extraction and are more adept at commercial affairs than Filipinos, participate in most of the business investments. Another problem is most economic activity occurs in the cities, a condition which stimulates urban immigration, slums, criminal activities, high density ratios and so on.

When China opened its border to capitalist-styled development, Chinese society began losing its characteristic contentment and self-reliance and gained in materialism and consumerism. As in other Asian nations, such a switch was soon followed by a rise in corruption in the public service, privatization which would generate much unemployment and uneven income distribution.

In particular the environmental problem will become a hot agenda in the future. The decisions of individuals who do not value environmental improvement are an important cause of environmental degradation within Asia. This can be the result of institutional, policy or market failures.<sup>17</sup> Asia's policy and institutional failures fall into several categories. First, the private sector has been traditionally excluded from the provision of environmentally related services such as water supply and sanitation, solid waste collection, watershed protection, and the treatment of wastewater. The private sector has accordingly been unable to respond to the demand for such services. Second, Asia's public sector has failed to meet the demand for environmental improvement. Governments have been unwilling to charge users the full cost of environmental services. Moreover, they have been unwilling to reallocate other public funds to preserve or protect the environment or to impose higher taxation on environmental degrading activities. Then, the quality and quantity of environmentally related services will be inadequate.

Asian governments have also implemented inappropriate environmental policies. For example, raw water resources remain open access goods. Governments have not established well-defined and secure property rights over water resources (whether state, municipal, communal or private), they also tend to subsidize water for irrigation, and other users, and in many cases supply it free of charge. In Thailand, for instance, the total costs of supplying water in urban areas are at least 10 times the revenue collected. This policy not only leads to wasteful use of water and adds to the problem of treatment of wastewater, but also places heavy demands on public sector financial resources to expand water supply networks.

Methods of pollution control in Asia also reflect institutional failures. In Asia it is generally based on a command-and-control approach. End-of-pipe standards, licenses, fines and specific government orders to cease polluting are the most common policy tools. Many countries have set targets for reducing pollution and also imposed a detailed system of pollution levies. Unfortunately, this system has been ineffective in reducing pollution. In many cases, the effluent charges have been set below the marginal cost of reducing pollution, making it cheaper for factories to pay the charge than to stop polluting. Finally, the ability and efficiency of the enforcement and monitoring bodies have been very limited.

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<sup>17</sup> *Ibid.*, pp. 203-204.

The conditions mentioned above are main features of the Asian society arising from its history. But whether these conditions will continue to hold powerful sway over these nations in the future will depend on how much of an effect IT development will have on the face of future Asia and on which parts of the post-modernism philosophy will erode the traditional Asian lifestyle. These factors are what we will consider in the next part.

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**Part 2**

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**Future certainties:  
Pre-determined elements in Asia**

*“Change is the law of life.  
And those who look only to the past or present are certain to miss the future.”*  
- John F. Kennedy

Asia's future will not be a replay of its past. The economic and social landscape of Asia is about to be transformed once again. Some of the forces that will shape Asia's future are already apparent. Globalization and technological change are likely to have an increasingly decisive influence on Asia's economic opportunities, political openness, social structures, and relationships with the rest of the world. Other factors will also contribute to the transformation of Asian society in the future. These factors will shape the characteristics of Asian society I illustrated in the first part of this paper. The result of this fusion will be the formation of new Asian features.

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**I. Drivers of change:  
Factors that will certainly shape the future of Asian society**

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## 1. Changing age structures

In some parts of Asia, changing age structures will constitute the major problem in those sub-regions. As the data in the table below shows, the proportion of elderly people is mounting in developed countries. Figures are projected to increase at varying rates in Asian sub-regions, with the most rapid growth expected in East Asia. Countries in this region are aging more rapidly than in the west. While the numbers of elderly are expected to increase in all countries, the most dramatic rises are expected in the People's Republic of China (PRC), Japan, Indonesia, Thailand, the Republic of Korea, Singapore, and Malaysia.<sup>18</sup>

**Table 1: Sub-regional differences in percentage of population aged 60 and over**

Region	1970	1995	2025
Developed countries	14.5	18.3	26.4
Developing countries	6.1	7.2	12.1
Northeastern Asia	7.2	10.2	19.0
South-Eastern Asia	5.3	6.5	12.1

Source: United Nations, *The Sex and Age Distribution of the World Populations: the 1994 revision* (New York: United Nations, 1994).

Population aging is the inevitable result of the demographic transition associated with declining birth and death rates. It is especially influenced by falling birth rates. Another cause is changing life expectancy. Life expectancy is increasing in most countries of the region. Such increases are due to a decline in mortality, initially in infant mortality rates. Declines in mortality among the elderly also contribute to the process of population aging. The consequence is increasing dependency ratios. As birth rates fall, child dependency ratios decline and, thereby, contribute to an initial reduction of total dependency ratios. But during the process of population aging, aged dependency ratios increase remarkably. So, during the early part of this century, the total dependency ratio, which combines the child and aged dependency ratios, will change significantly in some countries as shown in the following table. The ratio highlights the burden on the working population to simultaneously support children and the elderly.

**Table 2: Dependency ratio changes in some major countries<sup>19</sup>**

Countries	Child dependency	Aged dependency	Total dependency
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<sup>18</sup> Economic and Social Commission for Asia and the Pacific (ESCAP) and Japanese Organization for International Cooperation in Family Planning (JOICFP), *Population Aging in Asia and the Pacific* (New York: United Nations, 1996), p.10.

<sup>19</sup> Total dependency ratio =  $\frac{(\text{population aged 0-14}) + (\text{population aged 65 and over}) \times 100}{\text{population aged 15-64}}$   
 Aged dependency ratio =  $\frac{\text{population aged 65 and over} \times 100}{\text{population aged 15-64}}$   
 Child dependency ratio =  $\frac{\text{population aged 0-14} \times 100}{\text{population aged 15-64}}$

	1995	2025	1995	2025	1995	2025
PRC	39.1	30.1	9.1	17.5	48.2	47.6
Japan	23.3	22.9	20.3	42.5	43.6	65.4
Rep. of Korea	33.4	28.4	7.9	21.2	41.3	49.5
Singapore	32.2	28.0	9.5	32.0	41.7	60.0
Thailand	42.4	31.4	7.5	16.3	49.9	47.6

Source: United Nations, *World Population Prospects: the 1994 revision* (New York: United Nations, 1995).

The more developed regions of Asia, especially Japan and Singapore, will certainly face the most serious pressure in their welfare system as the proportion of dependencies will escalate from the current level of 30-40% to around 60% by 2025. These countries may be paralyzed by substantial increases in social security expenditures - including the combined cost of medical care, pension, and other social welfare services. A greater proportion of national income will be budgeted for welfare.

## 2. Increasing disparity between the developed and developing regions

Higher levels of technology and increasingly open economies may deceive us into believing that the economies of most developing countries within Asia are growing satisfactorily. This is a serious misunderstanding. Actually, most countries are divided into two camps: the rich and the poor. The gulf between the two sides of economic and social camps is wider than it has ever been, both on national and international levels. Asia is separated by unequal access to:

- education (in terms of quality and not just quantity),
- economic sufficiency (income disparity and career opportunities),
- political participation (some races or groups of people have more rights in political decisions than others, others must contend with racial discrimination)
- and society (unequal quality of life and standard of living i.e. some regions have an over-supply of food while others face famine and imbalances in basic healthcare facilities).

Against a backdrop of oligarchic/nepotistic regimes, market economies have helped to widen the gap between rich and poor. Statistics from individual countries have shown that, within those countries, income distribution widens during periods of economic liberalization. Income disparity has grown from 30:1 in 1960 to 61:1 in 1991 and to 82:1 in 1995 in the world overall.<sup>20</sup> The gap in national income levels between the developed industrial countries and the developing world increased three times, from US \$5,700 in 1960 to US \$15,400 in 1993.<sup>21</sup> In Indonesia, for example, 90 percent of the country's wealth lies in the hands of a small minority.<sup>22</sup> When Taiwan undertook commercial and financial liberalization in the late 1970s, its Gini coefficient rose from 0.33 in 1970 to 0.38 in 1988<sup>23</sup>.

While the free market mechanism promotes efficiency in resource management, at the same time, this mechanism assists to eliminate any countries that lack efficiency and cannot

<sup>20</sup> United Nations Development Program, *Human Development Report 1998* (New York: United Nations, 1998).

<sup>21</sup> James Gustave Speth, "The World's Growing Income Inequality," *Bangkok Post* (September 15, 1996).

<sup>22</sup> <http://www.geocities.com/CapitolHill/Senate/4787/millennium/earp.html>

<sup>23</sup> United Nations Development Program (UNDP), *Human Development Report 1996* (USA: Oxford University Press, 1996), p. 59.

compete with the others. The country that cannot successfully network its commercial and production sectors with other economic areas are thus forced out of the market. On a higher level, the countries that cannot gain high enough levels of technology will be those that fall behind in the development of both their financial and human capital. In the future, technological obsolescence will result in severe economic and perhaps social disadvantages. This will become reality in the poorest countries and in those that cannot increase their investment capital. At that time, the gap in income levels will become worse on the international level. The losers in this game will be the people or nations who lack advanced technology. Gradually, these countries will lose their ability to compete on an international level. Advantage in the marketplace will be passed from those with abundant labor supplies to those that are knowledge-intensive. I believe that in the future world of disparity between the developed and the developing parts of Asia – between the privileged and the downtrodden, between the oppressors and the oppressed, and between the rich and the poor – we will find the greatest source of tension, conflict, and violence both within and among nations.

### **3. Values, philosophy, and culture**

#### **3.1 Post-modernism philosophy**

Rooted in Romanticism and Existentialism, the core foundation of post-modernism rests on the belief that emotion should be the primary focus in life. This philosophy allows the notion of absolute truth and the mechanism of reason to be rejected. Moreover, self-fulfillment forms the main stream of post-modernism. This worldview permits people to determine meaning and reality on their own, outside of the traditional boundaries set by religious or cultural dogma. Post-modernism creates the sentiment, “What is true for you may not be true for me,” meaning no one can determine meaning for others. This attitude leads to subjectivity, individuality, personal experience, irrationalism, and intense emotionalism. Globalization and free information-flow from the West to the East will carry post-modern views, prevalent in the West at this time, to the East via worldwide media and literature propagation. This philosophy will become more widely accepted by people in the developed part of Asia because of the opportunity it seems to afford all people to make personally held judgments, especially in the areas of morality and ethics. Post-modernism, then, will be commonly found in the most advanced parts of Asia within the next decade.

#### **3.2 Cultural identification**

The most important distinctions between people are not ideological, political or economic. They are cultural. People and nations are still attempting to answer the most basic of human questions: who are we? And they are still answering this question in the same ways as they traditionally have, by referring to the things that mean the most to them. People define themselves in terms of their ancestry, religion, language, history, values, customs, beliefs, and institutions. They identify themselves with cultural groupings: tribes, ethnic groups, religious communities, nations, and at the broadest level, civilizations.<sup>24</sup> People identify themselves with certain cultures for many reasons, including the need to create bargaining power, the need to search for personal history, the need for being protected, the need to be recognized as a member of a society or even the need to react to the dominating influence of globalization. In the future, the above-mentioned reasons for cultural identification will come increasingly into play. Attempts to identify with a culture will easily lead to conflict if not handled properly. The recent eruption of violence in Halmahera and Ambon in the remote Molucca

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<sup>24</sup> Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon & Schuster, 1996), pp. 21-29.



islands, as well as in Aceh and Irian Jaya, and the independence of East Timor are only a few illustrations of the predicted flood of cultural conflict to come. This is why the fighting between SLORC (now is called SPDC) and the minority groups, who are camped along the Thai-Myanmese border, continues.

#### 4. The developing role of multinational corporations (MNCs)

One of the most striking trends in post-war governance has been the remarkable rise in the strength and number of MNCs. These actors are playing a growing role in public policy formulation and decision making via indirect intervention as they implement government programs. Increasingly, multinational enterprises are becoming weighty actors in national and international politics and their resources are often considerable. General Motor's turnover of \$125 billion in 1995 exceeded the GNP of a medium-sized economy such as Norway's. In 1968, 7,276 MNCs were operating globally compared to 35,000 (with their 147,000 subsidiaries) in 1990. At the turn of the century, the number reached 45,000. 85% of these companies are headquartered in developed countries.<sup>25</sup> Presently, transnational corporations produce one third of the world's products.<sup>26</sup> More and more they control international investment and financial streams. Their foreign investments have increased so dramatically in the recent past that many of them now play a significant role in various national economies. During the recent crisis in Asia, for example, many local corporations merged with or were taken over by the multinational corporations. This phenomenon occurred because most local companies lacked capital and had to rely on foreign capital. This will actually trade off with the loss of management power to the MNCs. MNCs will certainly play a increasingly heavy role within Asia during the coming decades.

#### 5. Natural resources and environment concerns

Environment degradation has become one of the most critical problems for most developed regions in Asia. The situation is illustrated in Table 3 below. With unchanged policies and technologies, emissions from electricity generation and transportation in developing areas will grow exponentially. Projections indicate that by 2030, there will be five to ten times higher rates than during the 1990s. Improved policies could cut the rate of emissions by about 20% from the projected 2030 level. Projections suggest that sulfur dioxide emissions in Asia will rise from their 1990 level of about 40 million tons to 110 millions tons by 2020.<sup>27</sup> If nothing is done, the worldwide production of carbon dioxide could rise as high as 31.5 billion tons by 2010. If this occurs, countries in East and Southeast Asia will replace the US as the world's greatest emissions producers with an increase of 180%.

**Table 3: Relative severity of environmental problems in Asian sub-regions**

Pollutant	East Asia	Southeast Asia	PRC
Air pollution			
• Sulfur dioxide	XXX	XX	XX

<sup>25</sup> Thomas D. Lairson and David Skidmore, *International Political Economy: The Struggle for Power and Wealth* (Forth Worth: Hartcourt Brace College Publishers, 1997), pp. 110-112.

<sup>26</sup> G.R. Berridge, *International Politics: States, Power & Conflict since 1945* (New York: Prentice-hall, 1997), p. 46.

<sup>27</sup> Asian Development Bank, *Emerging Asia: changes and challenges* (Manila: Asian Development Bank, 1997), pp. 255-256.

• Particulates		XX	XX
• Lead		XXX	X
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Water pollution			
• Suspended solids		XX	XXX
• Fecal coliforms		XXX	XX
• Biological oxygen demand	XX	XXX	X
• Nitrates	XX	XXX	XX
• Lead			X
<hr/>			
Access to water and sanitation			
• Lack of access to safe water		XXX	X
• Lack of access to sanitation		XX	XXX
<hr/>			
Deforestation			
• Deforestation rate		XXX	XX
<hr/>			
Land degradation			
• Soil erosion		XXX	XXX
• Water logging and salinization		XX	XX
• Desertification			
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Energy consumption			
• Annual growth rate	XXX	XXX	XX
• Carbon dioxide emissions	XX	X	XXX

xxx = very severe; xx = severe; x = moderate but rising

Source: Derived from data in Global Environment Monitoring System (1996); World Bank (1995); World Resources Institute (1996)<sup>28</sup>

But the severity of environmental crisis could possibly change in the future. Environmental concerns will continue to be one of the world's recognized issues and will remain a hot topic on the international political agenda during the next decades. By the year 2020, the environmental will take a much higher profile in national and international affairs than they do now. Increased global environmental concerns will force newly industrial countries and middle-income countries in Asia to spend a greater proportion of their resources trying to protect their bio-resources, correcting damage from local pollution (air, water, noise, or hazardous waste), and restoring lost habitat. Environmental issues will, moreover, be

<sup>28</sup> Derived from data in Global Environment Monitoring System, *Airs Executive International Program* <<http://www.epagov.air/aeint>> (World Health Organization, 1996); Global Environment Monitoring System, *Water Program* <<http://cs715.cciw.ca/gems/atlas-gwq/gems.htm>>. (United Nations Environment Program and World Health Organization, 1996); World Bank, *World Tables Diskette 1995* (Washington, D.C.: World Bank, 1995); World Resources Institute, *World Resources 1996-97: A Guide to Global Environment* (New York: Oxford University Press, 1996).

imposed, by the West and powerful advanced economies with political or economic agendas to a greater extent.

## **6. World order and international standards from supra-state organizations**

In this age of globalization where nations are increasingly interdependent, it is apparent that any country desiring economic prosperity must connect itself to the global economy. In most cases, this is done by signing international agreements and following the prescribed set of international economic standards. Regardless of their own internal political or ideological background, members of this global economic community are forced to accept the obligations and code of conduct established by supranational organizations such as the UN, WTO, World Bank and the IMF.

These supra-state organizations will have vastly increased judicial powers in the future. Nations will be penalized when they fail to fulfill the terms of their agreement with these international organizations. Nations will find themselves isolated when they depart from accepted international commercial practices, as what Myanmar and North Korea are facing. Now, nations come under special scrutiny when they violate internationally accepted standards of human rights or when it appears they are denying basic freedoms to ethnic or religious minorities. For example, China's treatment of its Tibetan people is eliciting increasing concern around the world. As well, the Indonesian government received plenty of international pressure over its treatment of East Timor.

If there is no drastic change in world power within the next ten years, I believe the world will continue very much as it is today. The market economy and liberalization - free flow of trade, standardized goods and services, financial and labor resources; liberal democratic beliefs, human rights advocacy, and democratization; environmental protection; peace keeping and more – all these criteria will continue to occupy the mainstream of future international order and standards. Thus any country that participates or becomes a member of the world economy will gradually accept and adapt to this set of values and ideologies regardless of its own internal political or ideological background.

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## **II. Pre-determined Futures: Certain changes and challenges in Asia**

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As the above driving factors interact with present features in Asia described in Part 1, new changes, together with new challenges will propel Asia's future. The following ten issues are guaranteed high prominence in the next two decades.

### **1. More economic advances and expanded economic integration**

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Economic growth will be the chief aim of almost every government in Asia. Governments will push economic development forward, resulting in a more industrialized Asia. Thus, Asia is likely to become significantly more industrialized during the next 30 years, but its focus on heavy industry will diminish while that of light industry will rise. The service sector will begin to dominate East Asia and will increase its share throughout the region. The rate of growth will obviously determine the pace of this transition. Thirty years ago OECD countries accounted for about 70% of the growth of the global GDP, compared to 10% for the developing Asian countries. By 2020-2030 Asia should account for more than 50% of the world's economic growth.<sup>29</sup>

**Table 4: Growth prospects for selected Asian economies, 1995-2025 (percent)**

Region and economy	GDP per person relative to the U.S.		projections				
	1965	1995	Per person GDP growth rate, 1965-95	Baseline <sup>a</sup>		East Asian standard <sup>b</sup>	Inward policies <sup>c</sup>
				GDP per person relative to the U.S. in 2025	Per person GDP growth rate, 1995-2025	Per person GDP growth rate, 1995-2025	Per person GDP growth rate, 1995-2025
<b>East Asia</b>	<b>17.3</b>	<b>72.2</b>	<b>6.6</b>	<b>98.5</b>	<b>2.8</b>	<b>2.8</b>	<b>1.2</b>
Hong Kong	30.1	98.4	5.6	116.5	2.1	2.1	0.5
Korea	9.0	48.8	7.2	82.6	3.5	3.5	2.0
Singapore	15.9	85.2	7.2	107.0	2.5	2.5	0.9
Taiwan	14.2	56.2	6.2	88.0	3.1	3.1	1.4
<b>PRC</b>	<b>3.2</b>	<b>10.8</b>	<b>5.6</b>	<b>38.2</b>	<b>6.0</b>	<b>6.6</b>	<b>4.4</b>
<b>Southeast Asia</b>	<b>10.0</b>	<b>21.2</b>	<b>3.9</b>	<b>45.7</b>	<b>4.5</b>	<b>5.1</b>	<b>2.9</b>
Indonesia	5.2	13.1	4.7	35.8	5.0	5.6	3.5
Malaysia	14.3	36.8	4.8	71.2	3.9	4.1	2.2
Philippines	10.7	9.4	1.2	28.5	5.3	6.5	3.7
Thailand	9.7	25.6	4.8	47.4	3.8	4.0	2.1

a. Baseline projection assumes that all countries maintain the natural and policy conditions recorded in 1995.

b. East Asian standard projection assumes that all countries adopt the same policies as East Asia in 1995.

c. Inward policies assume openness changes from 1 to 0.5, and that central government saving declines 5 percentage points.

Source: 1995 per person GDP levels are based on 1992 values from Robert Summers and Alan Heston, *Penn World Table, Mark 5.6 (website version)*. (Philadelphia: University of Pennsylvania, 1994); extrapolated forward with growth rates from International Monetary Fund (IMF), *International Financial Statistics Yearbook* (Washington, D.C.: IMF, 1996).<sup>30</sup>

Table 4 suggests that Hong Kong, Korea, Taiwan, and Singapore will continue and largely complete the process of rapid catching up with the world's income leaders during the next 25 years. Projections indicate they will reach the equivalent of about 98% of U.S. income per person by 2025. Not surprisingly, as these economies draw closer to the world's economic leaders, their growth rates will slow. The favorable demographic trends of the last several decades in Asia that led to a rising numbers of workers will change as the population ages and more workers reach retirement age. The projected slowdown in growth is similar to the pattern Japan has displayed in recent decades. In the PRC and the Philippines, however,

<sup>29</sup> Jacques de Lajugie, "The Results of the Singapore Conference and the Prospects it Opened," in Colm Foy, Francis Harrigan and David O'Connor (eds), *The Future of Asia in the World Economy* (Manila: Asian Development Bank, 1998), p. 40.

<sup>30</sup> For Growth in gross domestic product (GDP) per person is calculated as the difference in the natural log of GDP per person in 1990 and the natural log of income per person in 1965, divide by 25. GDP data are drawn from Robert Summers and Alan Heston, *Penn World Table, Mark 5.6 (website version)*. (Philadelphia: University of Pennsylvania, 1994). The last year for which data in this data set are complete is 1990, which determines the end of the period of analysis. For the PRC, the growth rate is based on data in Fan Gang, Dwight Perkins, and Lora Sabin, "China's Economic Performance and Prospects," background paper for *Emerging Asia: Changes and Challenges* (Manila: Asian Development Bank, 1996).

improved initial conditions and better economic policies dominate the convergence effect. Analysis projects that in Indonesia, Malaysia, and Thailand growth rates will remain roughly the same as they have been in the recent past, as improved initial conditions and policies almost exactly offset the impact of convergence.

The most important external force shaping Asia's future will be the increased integration of the world's economies into one. The deepening of economic linkage, through freer movement of goods, services and capital, as well as through tightly linked production networks and shared institutions, is proceeding apace. The harmonization of international rules for trade through institutions such as the WTO, for instance, will circumscribe the freedom of policy makers. The pace and scope of Asia's global integration during the next 20 years will be profoundly influenced by its participation in, and the development of international economic institutions. Perhaps the most important of these is the WTO. In 1997, roughly half of the economies in emerging Asia were already members of WTO, and most of the rest have either already applied for membership or are intending to. The Asia-Pacific Economic Cooperation (APEC) group will reinforce the tendency toward more open trading arrangements. Although APEC is not a trading bloc, the group has committed itself to free trade within the region by 2010 for higher income member countries and by 2020 for all member countries.

The relationship between the multilateral rules and agreements of regional groups in Asia must also be clarified. No one doubts that economic and trade integration will continue. This means that commitments to liberalization implemented by ASEAN or those within the framework of APEC between 2005 and 2010 should be based on open regionalism. In this respect, it will be essential that regional liberalization should be fully compatible with the World Trade Organization and its principles - its standards, customs procedures, or rules of origin.

Moreover, globalization, together with technological change, is also likely to quicken the tempo of structural change both within and outside Asia. Several forces will combine to continue the process of integration, such as continued change in communications and transportation technology, further reductions in transport costs, and the diffusion of "real time" trading systems. Other kinds of large-scale electronic data transmission will also make conducting business across national borders easier, cheaper, and presumably less risky. Although the trend toward greater integration is universal, the extent of integration differs. The links between growth in the industrial countries and growth in Asia tend to be strongest in the most advanced, fastest growing economies and slightly weaker in Southeast Asia.<sup>31</sup>

## **2. Pressure for better social welfare and greater health care expenditure**

Both an aging population and an increasing dependency ratio will put pressure on the social welfare systems of some of the Asian countries mentioned above. A gradually aging population will have increased effects on the delivery and sustainability of public programs including pensions and health care. Public health care will become a consequential political issue for governments in those societies over the long term.

Having a national total dependency ratio of nearly 50 to 60% will decrease labor supplies, especially with growing trends for early retirement. If the number of workers who are

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<sup>31</sup> Frank Harrigan and Lea Sumulong, "Aspect of Asian Macroeconomic and Structural Interdependence," background paper for *Emerging Asia: Changes and Challenges* (Manila: Asian Development Bank, 1996).

unemployed because their jobs have been taken over by new technology is less than the number of people entering the ranks of the dependent, there will be a labor shortage that will cause domestic productivity to decrease. Moreover, an increasingly aged population will be more prone to expensive and chronic diseases, and further advances in medical technology will increase the potential for treatment. As well, Asia is in the midst of an epidemiological transition. The prevalence of infectious diseases such as malaria and tuberculosis is declining, and health is improving overall. At the same time, the prevalence of noninfectious and more costly diseases, such as heart disease and diabetes, is increasing. All these factors imply that Asia's health care expenditures will rise, both absolutely and as a share of national income.

This change will impose pressure on the working segment of the population. Japan, Korea and Taiwan currently rely on compulsory social health insurance systems, funded primarily from payroll taxes, to finance private sector delivery of health services, which economists generally regard as more efficient than public provision. These insurance systems operate on a pay-as-you-go basis, which makes insurance premiums highly sensitive to changes in the age distribution of the population. Under the current insurance financing scheme, the maintenance of existing benefit levels will impose a sizable tax burden on the workforce. They will be forced into carrying a heavier tax burden in order to replenish government coffers for social services. If taxpayers are forced to support such large percentages of dependents, they may become increasingly dissatisfied with government commitment to the elderly. On the other hand, if governments decide to assume this burden, they may find themselves with burden that their debt-ridden countries may not be able to bear. But governments who opt to reduce welfare subsidies for the elderly will certainly face severe protest from the working segment of the population who could become a significant voting bloc in the future. Either of these alternatives could threaten future governments.

Possibly the best solution is for governments, employers, and individuals to work together to create the policy and programs needed to care for increased numbers of retired citizens. While public transfer programs could continue to be the main source of income for both men and women aged 60 and over, private pension income could become the second most important source of income for people over 60. However, access to workplace based pensions is far from universal – those in non-permanent, part-time, non-unionized, short tenure, or low-wage jobs in smaller firms are much less likely to have employer-sponsored pension plan coverage. These individuals will continue to rely heavily on benefits from government pension plans, old age security or guaranteed income certificates during their retirement years. Given the numbers of people who will be affected, the fiscal health and adequacy of public retirement systems will be an important on-going policy concern over the next few decades.

### **3. Accelerated migration**

Globalization is not only a process of economic integration and global communications networking that have increased the spatial reach of transnational corporations, commodity chains, and financial markets. It has also involved a quantum increase in the movement of people across national borders. Assessments of the forces underlying international migration - widening disparity in income gaps among nations and regions within a nation, the growth of cheap-labor demand in developed parts of the region, uneven population growth rates, and

expanding global migration networks<sup>32</sup> - concur that these increases will continue into the foreseeable future.

We will see two dominant migration patterns in the future. The first type is immigration from less-developed countries by individuals seeking economic opportunity to the more-economically developed nations, either from the same economic region or across economic regions. This type of migration arises from the recruitment of cheap labor to fill growing gaps in the supply and demand of domestic labor - the chronic labor shortages in dirty and dangerous occupations in construction, assembly, small-scale manufacturing, and an increasing number of urban services in the newly industrialized economies of the region.<sup>33</sup> We have already seen this occurrence in Japan and the newly industrialized economies of Korea, Singapore, Hong Kong, and Taiwan, as well as the migration to Brunei Darussalam and the Gulf States from neighboring countries and South Asia. The same has happened in the richer parts of the PRC that are under pressure from poorer neighbors. Some countries, such as Malaysia and Thailand, have a significant flow of workers both into and out of country as these nations gradually shift from a labor exporting to labor-importing status.

Moreover, future negative population growth rates will actually cause increased migration. Table 5 show that Japan will be the first Asian nation to have a negative population growth rate, which will begin in the next decade. Other higher income and some middle income countries are expected to reach this point in the following decade - Republic of Korea, Singapore, and Taiwan before the mid-century. The PRC might also experience absolute population decline during the same time frame if current population-control policies stay in effect. This demographic transition leading to negative population growth rate, together with the move to an aging society with few young workers, will be potentially catastrophic for national economies. Business and other interests will surely push governments to open the door to substantial immigration of workers willing to take excess jobs.

**Table 5: Projected population growth rates for selected Asian countries**

Country	1990- 2000	2000- 2010	2010- 2020	2020- 2030	2030- 2040
PRC	1.0	0.6	0.5	0.1	-0.2
Indonesia	1.6	1.3	1.0	0.8	0.6
Japan	0.2	0.1	-0.3	-0.6	-0.6
Malaysia	2.2	1.9	1.8	1.6	1.3
Philippines	2.2	1.8	1.5	1.2	0.9
Singapore	1.6	0.9	0.6	0.4	0.0
Rep. of Korea	1.0	0.8	0.4	0.3	0.0
Taiwan	1.0	0.8	0.5	0.3	0.0

<sup>32</sup> Mike Douglass, "Unbundling National Identity: Global Migration and the Advent of Multicultural Societies in East Asia," *Asian Perspective*, Vol. 23, No. 3, (1999), pp. 80-81.

<sup>33</sup> Stephen Castles, "Asia-Pacific region: a force for social and political change," *Journal International Social Science*, Vol. 50, No. 2, (1998), pp. 215-228.

Thailand	1.1	0.8	0.5	0.2	0.0
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Source: Population Reference Bureau, Washington, D.C. (1999).

Indeed, as demographic and other pressures push in the direction of increased labor migration, Asian governments will have to formalize agreements to monitor and set standards for the treatment of migrant laborers and their families. Overall, Asia economies now tend to impose relatively few regulations on labor markets but will have to change in the future.

The second migration pattern is increased migration to escape domestic racial conflict or war. Migrants in this category tend to stay together in large groups close to the border areas. However, whether these people immigrate to new lands on foot or by air, they tend to be a continued source of social conflict, even in the new locations. Social tensions due to differences in race, culture, and social background of these immigrants are generally unacceptable in the host countries. More significantly, these immigrants are perceived as threats to the local labor markets resulting in potential conflict between local and immigrant workers.

Many Asian societies will be confronted with the rise of a multiethnic population. Racism, xenophobia, and ethnocentrism also tend to be exaggerated by high rates of immigration wherever they appear, including Asia in the future. However, the problems of immigrants have not yet been addressed in the law or codes of conduct of most Asian nations. As of yet, there is no provision for a civilized recognition of immigrants as people. Nor are there any international or regional organizations who will take charge of immigrants holistically. At present, only the International Labor Organization (ILO) oversees the implementation of labor rights, while the UN High Commission for Refugees (UNHCR) oversees only the concerns of refugees. The challenge to governments in developed Asia therefore is not only to manage domestic migrants, but even more so to collaborate in handling the concerns and conflicts of trans-national migrants.

#### **4. Stronger democratization**

The early decades of the 21<sup>st</sup> century will be the period of much democratic revolution in Asia. We will see a greater recognition of the individual as the crucial factor for social progress. We will also see institutions being established to protect the rights of the individual (similar to the West starting at the end of the 18th century). The social turmoil in Malaysia and the collapse of the Suharto regime signify that legitimacy in the region is not a function of economic prosperity, as once believed, but of just representation.

Countries holding strongly to socialist economics, such as the PRC, Vietnam, and Laos, have gradually changed into capitalist economies. These nations have opened their doors to foreign investment in hopes of economic prosperity and better economic welfare for their people. A higher standard of living as a consequence of economy progress - compiled with greater access to education, information and democratic values - will advance the cause of democracy. The citizens of these previously closed nations will demand a greater voice in the political decisions of their nations to ensure the advancement of their economy. However, changes in economic systems may not produce significant political changes in the short run, but they will certainly occur in the long term.



Whether or not the political landscape will become more democratic depends significantly on each country's economic stability. The countries with a high degree of economic fluctuation will have greater chances of embracing more of the extrinsic forms of democracy, while the countries with stable economies will be satisfied with the existing political models. As long as the government can meet the needs of special interest groups, we can expect no political changes.<sup>34</sup> However, in the next period of economic liberalization, characterized by intensive competition, the lack of economic stability and the ignored needs of some interest groups will cause greater overall fluctuations in political systems. More countries will embrace democracy, at least in its external forms.

Pressure for a new democratic world order will originate from the leading economic powerhouses of the world. Supra-state organizations and the world community, which are led by Western pro-democratic countries, will take a role in promoting democracy. These countries will forge a type of democracy that will be most beneficial to themselves. But, the smaller and less economically powerful nations will be forced to follow. We have already seen the integration of democratic issues, such as human rights, with international trade as in the cases of Myanmar and the PRC. And we have already seen the pressure the world community put upon Indonesia to free East-Timor. The push for greater levels of democracy will continue to be heard from both communist and less-democratic countries within Asia.

Another reason for democratic advancement is the rise of the middle class. As economic progress occurs, Asian societies will undergo the transformation from an agricultural society to industrialized society. This, along with government literacy enhancement policies implemented during the recent decades, will generate the emergence of a powerful middle class who is likely to act as a catalyst for deeper social and organizational change. In particular, an increasingly assertive Asian middle class is likely to resist the kinds of top-down leadership and non-consultative modes of governance that have prevailed in the past. They know that the top-down and tree-type authoritarian decision-making process in the old planned economy countries often caused disasters if the main decision makers were not clever enough. Democratic decision process, sensitive information feedback, and the citizen participation in ethical capitalism or competitive socialism have crucial significance for sustainable development. The middle class will be in the vanguard of the push for greater participation in policy making and, more generally, a more transparent administration of public affairs. The impact of the global information networks (with easy access to information about the lives of citizens in democratic regimes) will accelerate the process.

## **5. New threaten for state sovereignty**

Without new forms of cooperation and communication, globalization handicaps nation-states from effectively fulfilling their traditional responsibilities. Political and economic interdependence are changing nation-states' scope for autonomous action. State sovereignty is being shaken by two major factors, the first is expanding control by multinational corporations (MNCs) and another is increasing pressures to conform to international standards of supra-state organizations.

The increasing influence wielded by increasing numbers of transnational firms in Asia will significantly decrease sovereign power of the state. If governments go ahead and bow to the

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<sup>34</sup> Phikippe Lasserre and Hellmut Schutte, *Strategies for Asia Pacific: Beyond the crisis* (Great Britain : Macmillan Business, 1999)

full forces of liberalization by privatizing their public enterprises, they feel the state's role and power will decrease, even in areas such as social welfare, the arts and culture, public works, mass communication, etc. Further, the degree of collaboration between international corporations and world financial institutions is prone to increase in the future. In effect, this will place these organizations in a position of greater international economic and political influence. Many of them will begin to assert controlling influence on the global stage. Then, by assuming a larger share of social responsibility, they will be in a position to define political platforms and influence international policy.

Conversely, it will become increasingly difficult for governments to mediate or control the activities of trans-national corporations because the head office that directs these organizations is located in another country. Even though these corporations are legally incorporated in one country, they are – in terms of the scope of their networks and the regions in which they concentrate their activities – practically free from commitment to any particular government. They hold more allegiance to their web of global network partners than to any national entity. When it comes to labor problems, social turbulence or national economic difficulties, these corporations walk free from involvement in the affairs of any national administration, both in their parent country and in the territory in which their major business enterprises function. At the same time, when their financial interests are endangered by public or private interests in the host nation, they do not hesitate to use their power to influence national policy or even threaten to remove their business from that region.<sup>35</sup>

For the MNCs, the issue of accountability is also important. To whom are MNCs accountable? Ideally, they are accountable to their members and shareholders; however, this is not always the case, particularly when a group may depend on just a few members – or on government – for most of its financing or when its internal decision-making structure is highly centralized. The actions of an MNC may have implications well beyond its direct constituencies.

The second critical factor: the government in each Asian country will certainly continue to value economic advancement as the leading factor in developing their nation. So they will inevitably be more prone to opening their economies to both regional and global economic integration groups. By doing this, governments will lose sovereignty over their nation's legal structures, public policy and national administration because they have to conform to international regulations. Many Asian nations have already readily jumped into international alliances or agreements without realizing the cost of such naive willingness. Eventually though, such international agreements may decrease the state's sovereignty over its economic, political, or social policies and force it to accept unwillingly policies not of its own design. For example, economic pressure is presently being exerted on certain countries for their human rights records, as in the PRC and Indonesia. In other nations, control is placed over the accumulation of military power. These countries have the handcuffs of international boycotts promptly snapped on them.

## **6. Challenges to national cohesion and national security**

Three forces will affect national cohesion: greater democratization, access to information flows and increased ethnic conflict due to cultural differences.

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<sup>35</sup> Vivien A. Schmidt, "The New World Order, Incorporated: The Rise of Business and the Decline of the Nation-State," *Daedalus* (Spring, 1995), p. 79.

The communications revolution, enforced by globally encompassing information networks, will foster new groups and associations of people who share a common interest. These people may associate merely to participate in mutually interesting activities or to form an association – all activities sanctioned within liberal-democratic societies. However, modern technology will also grant these groups the power to develop themselves to huge movements that may demand concessions from the state. However, in nations that are not so democratically inclined, if the demands of some groups extend beyond the simple agendas of mutual interest – for example if they associate to lobby the government on a certain issue, defend their right to engage in certain activities, or protect themselves from unjust treatment – governments may disagree with such freedoms. We can see the case of the Falunkong in the PRC.

Moreover, there will also be a greater ease for minority groups to become independent nation-states because international institutions, such as the United Nations, will invest much effort in promoting democracy and human rights, these groups will have more opportunities to become independent nation-states. Situations such as these may place new kinds of demands on governments, while at the same time weaken national cohesion upon which governments depend for their legitimacy. If the number and diversity of these demands increases significantly, they will place high pressure on national governments. Some governments may not be able to cope.

Contemporary standards for democratic systems are already generating intense pressures for some governments. Many are reacting with inadequate proposals and short-term solutions to people's demands. Interest group pressure, media exposure and expanded high-speed, inexpensive communication systems will intensify this pressure. Therefore, developing adequate systems of governance that can cope with such pressures will become more, not less, urgent. The governments who exploit the opportunities afforded by technological communication networks will be those who have the capacity to identify people's demands and respond to them with effective long-term strategies, those who engage the public in meaningful participation in decisions, and those who maintain national coherence in the face of great diversity. Effective governments will function as learning organizations; that is, they will creatively incorporate both new information and new concepts into their decision-making processes.

Another factor that will threaten national security in Asia is ethnic or cultural conflict. If we consider the etymology of cultural conflict, we see that cultures are composed of norms, beliefs, cultural practices, and loyalty to the native culture. Ethnic conflict can also be considered from the perspective of cultural differences, for example, the tension between the Chinese and Malaysians in Malaysia. We can also recognize the phenomenon of increased conflict between people of different cultural backgrounds such as Christians and Muslims who hold different religious beliefs. Ethnic and religious tensions in Asia are particularly volatile and, therefore, erupt from time to time. The collapse of economic stability has brought political and social unrest, which form a basis for ethnic conflict and locally based terrorism. The range of inter-culture crimes for ethnic, religious or political reasons has grown dramatically during the last few years.<sup>36</sup> The region has significant ethnocentrism, which if left unchecked and fueled, could lead to long-term destabilization. Examples are Indonesia (Timor, Kalimantan, and Aceh), the Philippines, and Malaysia.

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<sup>36</sup> <http://www.geocities.com/CapitolHill/Senate/4787/millennium/eaet.html>

Tensions arising from migration can also be considered a source of potential cultural conflict. Increased migration will place higher pressure upon national security forces. Even though the immigrants speak the language of their new home country, they still retain radically different worldviews and cultural practices. Ethnocentrism will become a significant cause of cultural conflict in the future. So, as Huntington<sup>37</sup> clearly points out, the major cause of conflict in the future world could be ethnic and cultural differences.

Even so, some people argue that cultural differences may not be the only conditions that induce violence. They point to societies such as Singapore that have created peaceful multi-culture societies in which there are few cultural conflicts. But if we take a truly global perspective, we realize that some of the bloodiest conflicts in our time were caused by cultural differences: in Afghanistan, Algeria, Bosnia, Kashmir, Liberia, Rwanda, Somalia, Sri Lanka, the Sudan, and Yugoslavia. They all involved religious or ethnocentric conflicts. Thus, we must concede that culture is a major source of global and regional conflict. Ignoring the groups of people whose security is now being seriously threatened by cultural misunderstandings will only lead to greater clashes and more violence in the future.<sup>38</sup> Such cultural clashes are a strong indication that Asia must be prepared to handle increasing cultural conflict. Leaders in this region must actively address this issue in order to produce sustainable peace for Asia's future.

## 7. Increased sensitivity to peace and security issues

Peace and security in the Asia Pacific Region are still somewhat fragile. We will see increasing instability in the future for four reasons:<sup>39</sup>

First, minorities will increasingly push for separation and independence as separate nations. Economic liberalization and boundaryless communication will reduce the power of the nation state. Also, increased understanding of democratic and human rights principles will capture the attention of oppressed minority groups. International pressure will be used to force even strongly authoritarian countries to give their people more rights and allow them to express their opinions. Moreover, stronger intervention in domestic affairs by global organizations will cause the possibility of independence and new countries to rise in the future. Such trends will increase especially for minorities who must suffer persecution or injustice because of cultural or religious distinctness.

ASEAN nations, in particular, are at high risk of such forms of conflict because of the large number of distinct religions and cultures, especially Indonesia. East Timor will become a model to other minorities, both domestic and regional, who want to assume their own nationhood. For example, in the Indonesian province of Aceh, people are already speaking of holding a referendum to explore the possibility of gaining independence from Indonesia. In the Philippines, the Muslim separatist group, the Moro National Liberation Front is another case in point. These trends could cause at best, serious disagreement with the existing government, and at worst, violent civil wars between central government forces and the minorities. Another characteristic jeopardizing security in this region is Taiwan's calls for the

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<sup>37</sup> Samuel P Huntington, *op.cit.*

<sup>38</sup> Michael T. Klare, "Rethinking Security: The New Global Schisms," *Current History* vol. 95 no. 604 (November 1996), pp. 354-355.

<sup>39</sup> Kriengsak Chareonwongsak, *New Uncertainties, New Tools: Scenarios for the Future of Asia Pacific* paper prepared for Asia - Pacific Scenarios Project, organised by The Nautilus Institute (November 15-17, 1999), Hong Kong (Bangkok: Institute of Future Studies for Development, 1999).

international community to recognize it as its own separate entity. These calls to accept Taiwan as the “Republic of China” may become a future cause of war in this region.

Conflicts over national boundaries will be the second reason. Conflicts over the exact location of boundaries between two countries or over the true ownership of certain areas will affect the region’s security to a greater degree in the future. Possible causes of this type of violence include, for example, conflict between China and the Philippines over the Spratly Islands, the conflict between Japan and Russia over the Kurile Islands, and so on. Another type of ownership issue with the potential to cause even greater conflict in the future is that over territorial waters. As food supplies dwindle and each country’s fishing boats try to reach their full catch limit, we will see more prosecution of trespassing violations and more impounding of other nationality fishing boats. In a worst-case scenario, this issue could accelerate into conflict.

Sharing limited resources among several nations is the third issue that could cause conflict in the future. Because of population growth, community growth, and manufacturing growth, water is expected to be the most required natural resource in the future. This will cause each country to require increasing water supplies for consumption and electricity manufacture. Possible conflicts over water resources could evolve, especially in areas bordering the Mekong River, which originates in China but flows through many countries in the Indo-chinese Peninsula. Tiny Singapore faces a unique predicament: half of the water needed daily to sustain its 3 million people comes from Malaysia under a water agreement which has been highly politicized. If there were ever a situation in which Singapore entered into conflict with its northern neighbor, there would be calls to “turn off the tap” or renegotiate the terms of the agreement. In anticipation of such potential for conflict, Singapore is already turning to desalination and other alternative sources in further-away Indonesia.<sup>40</sup>

Last, the lack of a regional buffer. The stability and peace that the countries in the Asia Pacific Region now enjoy is partially due to the presence of US forces who still keep guard over this region. For example, Americans are stationed at Okinawa, Japan; in South Korea, and use the navigation facilities in Taiwan’s seaport. At the moment, the USA acts as a conflict buffer in this region. Even so, there is a great tendency that the USA will withdraw its armed forces from the region to reduce its own defense expenditures. Between 1985 and 1996, the US national defense budget decreased from US\$ 353 billion to 266 billion, that is from 6.5% of the GDP to 3.6%. Withdrawing American armed forces from the Asia Pacific Region might create a political vacuum among countries in this region, opening the possibility for inter-nation conflicts. Should the US withdraw its forces, the most likely spots for the outbreak of conflict would be between North Korea and South Korea, China and Taiwan, China and the Philippines as well as between China and Japan. The production and amassing of nuclear weapons will also increase the chances of future conflict. Japan might even be forced to develop its own nuclear weapons if the USA withdraws its armed forces.

## **8. More diligent environmental protection**

Economic development in the past caused negative environmental effects in Asia. Without better policies, environmental damage will worsen in most of the region during the next 30 years. Only in East Asia will things begin to improve, as income levels there have reached the point at which popular demand for an improved environment is forcing policy shifts.

<sup>40</sup> <http://www.geocities.com/CapitolHill/Senate/4787/millennium/eaw.html>

Elsewhere, income-induced demand will be too weak to offset the increase in pollution and resource degradation that rapid economic growth implies. Without conscious shifts in environmental policy, most of Asia will become dirtier, noisier, more congested, more eroded, less forested, and less biologically diverse. However, in the future economic development in the Asia Pacific will cause even greater environmental concern, under pressure of international standards established by supra-state organizations. This trend will be more strongly expressed in the more highly developed parts of Asia.

Highly developed countries, such as Japan, Singapore, Hong Kong, the Republic of Korea and Taipei, and possibly Malaysia and Thailand, are the cluster of countries which cause great concern to environmentalists because of their more highly developed industrial structures, some of whose activities contribute to pollution. New or emerging technologies are likely to affect the global and Asian environment during the next 30 years: cleaner and more efficient energy production, pollution abatement, and resource conservation technologies that will lower the costs of controlling pollution, treating waste, and conserving natural resources. There are some more factors that will promote more environmental preservation in this region.

Under the conditions set by international conventions and treaties, developing countries in Asia will increasingly face pressure from industrial countries to implement their anti-pollution commitments more stringently. Moreover, Asian countries have already established several regional and sub-regional environmental cooperation programs. This type of joint effort, particularly for water resources, is an important component of the Mekong sub-region partnership. Environmental considerations are increasingly voiced during the course of international trade negotiations. Like other developing countries, Asian countries face the possibility that stringent environmental standards will not only make their products less competitive but will also be used as trade barriers. The two most commonly cited environmental standards in trade are product standards related to production methods and eco-labeling such as the International Organization for Standard (ISO) 14000 series. Asian firms that do not obtain such criteria may find themselves facing a considerable international marketing disadvantage in the future. As for biodiversity conservation in the future, if the status quo is maintained, we can expect to see a trend towards further encroachment of protected areas by governments (through approved economic development projects) and local residents (through hunting and gathering), which will lead to increasing fragmentation of protection systems.

However, there are possibly uncertainties in how Asia's environment will change by the year 2020. On the one hand, shifts in economic structure to light industry and services, availability of clean production technologies, and changes in policies and institutions may help to partially reverse environmental damage; on the other, economic growth, population increase, and higher energy consumption will increase pollution and resource-depletion.

Rapid population growth is usually correlated with deforestation, soil erosion, damage to the local ecosystem, and other forms of environmental degradation. Nevertheless, slower population growth does not necessarily slow the rate of environmental destruction. In Thailand, for instance, where the rate of population growth has declined rapidly, environmental damage has continued as fast as in other countries with a higher population growth rate. Although population growth cannot be correlated with harm to the environment, it can precipitate destruction when combined with factors such as poverty,

undefined property rights of natural resources, lack of employment opportunity, and certain system and policy failures.

Almost 1 billion people in Asia live in absolute poverty. The poor are concerned about the present and heavily discount the future. Daily survival is their most important concern. Moreover, their ability and willingness to pay for environmental protection is nil. As a result, the poor often exploit common or openly accessible resources such as forests, fisheries, water, etc. at unsustainable rates. The poor also tend to have very limited access to sanitation, water, and living space, especially in urban areas, which also aggravates environmental degradation. Moreover, they have little access to credit or to technology, and lack secure property rights. When forests, fodder, fish, water are openly accessible resources, the poor try to obtain as much as they can. Thus poverty is a contributory factor to environmental damage but not an independent cause of it.

Asia Pacific countries with lower development such as China, Indonesia, Philippines, Vietnam, Myanmar, Laos, and Cambodia will be prone to environmental destruction, too. But these countries have lower economic capacities, and cause less destruction to the environment thus drawing less criticism from environmental protection groups. The comparative advantage of these countries is mainly their cheap labor costs and, with technological development still at a low levels, not much harm is being done to the environment as of yet.

### 9. More urbanization

Asia's population is likely to reach almost 5 billion people by the year 2025. The rate of population growth will continue to decelerate, but the pace of urbanization will accelerate. With only 24% of the population currently living in cities, Asia is the world's least urbanized region; however, at the current rate of urban population growth, by 2020 half of Asia's population will live in cities as shown in Table 6 below.

**Table 6: Level of urbanization, 1995 and 2025 (percent)**

<b>Region/country</b>	<b>1995</b>	<b>2025</b>
<b>East Asia</b>		
PRC	30.3	54.5
Hong Kong	95.0	97.3
Korea	81.3	93.7
<b>Southeast Asia</b>		
Cambodia	20.7	43.5
Indonesia	35.4	60.7
Lao PDR	21.7	44.5
Malaysia	53.7	72.7
Myanmar	25.2	47.3
Philippines	54.2	74.3
Thailand	20.0	39.1
Vietnam	20.8	39.0

Source: United Nations, *World Urbanization Prospects: the 1994 revision* (New York: United Nations, 1995).

In the coming decades, Asia will become a predominantly urban society. Economic transformation promotes urbanization as higher concentrations of industry lead higher demands for labor in urban agglomerations. Worldwide, the urban population is likely to double from about 2.5 billion to about 5.1 billion by year 2025. Three out of five of these people will be living in Asia. Southeast Asian and the PRC will see the fastest rates of urbanization during the next ten years. Asia's new urban population will mainly be concentrated in existing towns and cities. The prospect of urbanization poses yet further problems. Asia's share of population living in urban areas will rise from 35% in 1995 to around 55% by 2025. While urban life will offer people greater opportunities and will probably mean less poverty than in the rural areas, Asia's particular style of urbanization – towards megacities rather than mid-sized cities – is likely to further exacerbate environmental and social stresses. Managing Asia's urbanization process will not be easy. A recent exercise undertaken at the Asian Development Bank<sup>41</sup> indicated that trillions of dollars of investment will be needed to develop urban infrastructure over the next 25 years. The major investment will be needed for urban transport, water supply, and sanitation.

## 10. Weaker family ties

Asia's continuing economic transformation will precipitate further social change. Greater urbanization, demographic shifts, and rising female participation in the labor force will accelerate the transition from extended to nuclear families. Family size will get smaller, and families will become more fragmented as children increasingly leave home for study or work. Most parents will have to fend for themselves in their old age. Woman will enjoy greater economic and social empowerment. Traditions of caste, clan, and religion are also likely to weaken as educational opportunities expand and people travel more widely. Established practices and values will be changed more readily.

Asia's population is aging. The proportion of people aged 65 and older is likely to increase from 5% in 1995 to 9% in 2025. In East Asia the share of old people will rise from 7 to 13%. In Southeast Asia, where the demographic transition began later, the share of old people will rise from 4.5 to 8%. These averages hide sharp disparities between countries. In Hong Kong, for instance, people aged 65 and older will make up 24% of the population in 2025, compared with only 10% today. In Singapore the relative size of the elderly population will almost triple, from 7 to 20%. The PRC, Korea, and Thailand will have between 10-15% of their population aged 65 or older by 2025.<sup>42</sup> Traditionally, the care of the elderly has rested with the family, but the region's demographic transition has profoundly altered the structure of Asia's families. Fertility has declined and the average household size has fallen. This implies that the care of a larger number of elderly is spread across a smaller number of family members.

The incidence of divorce is increasing as official divorce rates are positively correlated with per person income. As a result, projected income growth also suggests roughly a figure about 2.5 times the level of current divorce rates in Hong Kong, Korea, and Singapore.<sup>43</sup> Thus the Asian family is unlikely to provide the social safety net that it used to. Public institutions will be increasingly called upon to provide services such as day care for children, welfare

<sup>41</sup> J. Stubbs and G. Clarke, *Megacity Management in Asian and Pacific region. Vol. I and II* (Manila: Asian Development Bank, 1996).

<sup>42</sup> United Nations, *The Sex and Age Distribution of the World Population: The 1994 Revision* (New York: United Nations, 1994).

<sup>43</sup> Asian Development Bank, *Emerging Asia: changes and challenges* (Manila: Asian Development Bank, 1997), p. 312.



assistance for single mothers, and general child support. Care for the elderly will become a more prominent issue for Asian society and its families, particularly in East Asia. The decline of traditional family structures will also increase demand for public health insurance, unemployment compensation, disability insurance, and public pensions.

Socioeconomic change has also affected intergenerational relationships. Industrialization and urbanization, together with greater access to education, have brought women greater employment opportunities outside the home. This is likely to remove control of productive resources from the older members of a family, in turn undermining their authority over younger family members. As rural to urban and international migration physically separate generations, the obligation to support the elderly weakens. All these factors will contribute to a weakening of family cohesion.

### **Part 3**

#### **Asia in four perspective scenarios**

*"The trouble with the future is that it keeps getting close and closer."*

*- Anonymous*

In the previous section, I described certain future scenarios of Asia. In this last part, I will illustrate the scenarios that describe different, though equally plausible, futures of Asia. The purpose of these scenarios is not to pinpoint future events but to highlight large-scale forces that push the future in different directions. Scenario building makes these forces visible, so that if they do occur, we will at least recognize them.

I arrange the scenarios into a two-axes framework that uses the critical forces and some uncertainties to explore the various alternatives for Asia's future.

*The Future Society of Asia  
Prof. Dr. Kriengsak Chareonwongsak  
Executive Director, Institute of Future Studies for Development*



In this scenario, Asian countries would liberalize almost every aspect of their nations: their trade, financial flow, foreign capital investment, mass media, migration, etc. But their power bases, especially the business and political ones, would still be concentrated in a few elite groups. MNCs would dominate most of the business in Asia and have significant power to determine government policy. In this future, led largely by international financial institution imposed reforms, the region would recover quickly from the economic crisis. Economic growth would be based on a strong export-orientation and a high degree of foreign direct investment. As a result, the relative power of corporate actors, both global and domestic/regional, economic activity would sharply increase. Although this economic growth would not be as dynamic as it was before the crisis, it could possibly be moderate in its range. We could see some key nations in the Asia-Pacific taking the lead forwards forming a common market in the Asia-Pacific – an "Asian Union".

This scenario envisions a slow but steady economic recovery led by the economic ascendancy of China and a strengthened alliance between China and Japan. States throughout the region would be reinvigorated as they are drawn into an Asian bloc based on a new style of state corporatism. Eventually, the bloc would withdraw from the WTO, meaning the US and EU would most likely turn towards each other. The dominant driving forces of expanding intra-regional trade and capital flows would combine in an open global economic environment to produce a remarkably high-growth, highly-integrated Asia. The two significant trends in Asian trade, namely the increasing intra-regional focus of trading activity with sharp reductions in internal tariffs and the shift towards a predominantly manufactured goods base are both highly positive. The region is thus becoming less vulnerable to cyclical changes in economic activity in the rest of the world, suggesting that the prospect for high-level endogenous regional economic growth is becoming a reality. Although Asian economies would continue to compete with each other in the foreign marketplace, primarily in North America, recent intra-regional trade pacts suggest that regional economic growth and development would also become increasingly cooperative and complementary. This regional integration could also create the emergence of an Asian Monetary Fund and Asian currency.

The Chinese network would be a critical factor shaping such an Asian Union. The Chinese populations practice a form of capitalism never seen in the West: an authoritarian styled, Confucian-influenced capitalism that cherishes economic freedom but neglects democracy despite the liberalizing impact of a growing middle class – and this could prove to be the most dynamic and successful form of capitalism after the supposedly non-ideological 1990s. A successful Chinese economic reform process would bear fruit, amidst rapid growth and explosive infrastructure (particularly telecom) needs.

In the political affairs of the region, a key potential constraint to growth was the Asian political transition that took place during the late 1990s. This proved to be less of a threat than was previously anticipated by Asian specialists. As the post-World War II generation of leaders, the Asian gerontocracy, begins to pass away, we could see a new generation of leaders arise in Asia who have little or no memory of the wars and political rivalries from which the present political framework originated. These new leaders would understand the economic foundations of Asia's power and recognize the debilitating effects of political infighting and conflict in the former Eastern bloc and the Soviet Union. They would realize that regional cooperation and continued economic growth are the paths to greater prominence in global affairs. These new leaders would closely tie themselves with MNC investors to promote economic growth.

The US may shift its policies towards Asia in order to balance its power with the PRC and maintain its hegemony over Asia. The growing power of the Chinese would not be ignored. Asian states, Singapore and South Korea in particular, would continue to insist that the US remain a political/military power in the region in order to counterbalance the growing power of China and to forestall Japanese rearmament. The end political result would be a fairly stable US-Japan-China triad in the Asia-Pacific region, with Japan mediating the US-Chinese relationship, and the US helping to mediate Japanese and Chinese relations with other Asian states.

At the same time, at the social level, a greater concentration of power in a few elite groups would mean unequal accessibility to resources. The disparity between the “haves” and “have-nots” would continue. The countries and people who have better access to global opportunities, especially those living in regions where economic activities are less regulated and information technologies are more freely available, usually enjoy greater advantages. Surely, the people or countries having more financial resources, more technological development, better research output and innovation, and most importantly, more developed information channels with which to influence cultures and values would gain the most advantage through their enhance ability to compete in the global marketplace. Although some less-developed countries may potentially have enough competence to take advantage of opportunities, most of them would continue to be dependent on the more developed nations. They would gain fewer advantages than the more developed nations because of inferior access to information technology, low capital accumulation, insufficient research and innovation and thereby weaker potential for human resource development. Thus, in Asia where the power is concentrated in the hands of a few, disparity continues to be a “good friend,” meaning it prevents the masses of uneducated and unprivileged from defending their rights or protesting cases of injustice.

Disparity leads to another critical future problem of Asia – the mass migration. Freer migration laws would boost the rise of mass migrations, normally the disadvantaged peoples, also called the “have-nots,” to urban areas where they hope to find more opportunities to improve their standard of living. This would fuel the trend of growing migration to the urban areas of Asia (with the possible exception of China during the early 1980s). It is estimated that by the end of the first decade of the 21<sup>st</sup> century, six of the world’s 10 largest cities will be found in the Pacific, and that Asian urban populations will expand by 65 percent from 900 million to 1.5 billion. This excessive urbanization may ultimately result in infrastructural collapse, economic slowdown, and rising social instability in the Asian “super cities,” particularly the teeming cities of Shanghai, Beijing, Bangkok and Jakarta. A recent study on internal migration within China that used modeling techniques developed by the International Labor Office in Geneva suggests that between 70 to 80 percent of China’s rural population would move to urban areas if internal migration controls were relaxed. The dilemma is that to keep up with economic growth, several Asian countries would have to relax labor migration controls. Doing so, however, may open a floodgate of human movement and raised expectations that could lead to social chaos if economic opportunities do not keep pace.

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**Scenario II: "Liberal Asia"**  
**The individualists and fragmentation of power**

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Liberal Asia is the quadrant where individualism meets fragmentary power, or marginal control of power by diverse organizations. It is a future in which people and organizations would want and, indeed, demand the ability to determine their own unique future. The computer network would be the ubiquitous medium through which these Asians realize their desires and discharge their few and relatively unimportant social duties. The Net would become the chief medium of exchange for decentralized work, personal gratification and global commerce. It is a future in which every person would be the ultimate consumer, a possessor of almost infinite choices. The Net would again play an ubiquitous role, one in which corporations would use personal catalogs, personalized ads and coupons to deliver carefully created messages tailored directly to unique consumer preferences. In this scenario, communication would be widely available and focused on personal empowerment. The focus of art and social activities would turn inward, as personal expression and new media flourish while old public spaces crumble.

The governments would wither in the face of such privatization and be replaced by a largely electronic marketplace that would facilitate transactions of every type. Politics would rely on electronic voting and poll taking. Power would be fragmented and lie in the hands of many virtual corporations and people organization. Most large, centralized institutions would have crumbled into a much more finely grained pattern, a many-to-many landscape in which each individual would be alternately producer and user. Technology would have become the language of the new Asian culture. The have-nots would have become the have-mores.

Telecommunication technologies (voice mail, answering machines, automatic tellers, e-mail and electronic entertainment) would gradually eliminate the need for personal contact and leisurely, face-to-face conversations even among friends, families and other close relationships. Individualism would cause people to become more focused on themselves and their own concerns than those of others. People would become increasingly absorbed in their own worlds. Without personal contact and lacking access to feedback that body language provides on a speaker's feelings, background and trustworthiness, advanced communication technologies could cause people to become isolated, to lack intimacy and become increasingly distrustful or unhappy. People could become a non-society of poorly integrated electronic hermits who are unable to work together, have poor human relationships, mental health problems and lack a sense of public accountability. Institutions such as the family, community, church and government would face the challenge of seeking support from a people whose loyalty is almost entirely to themselves.

Individualism would allow post-modernism to flourish. It would erode traditional Asian moral and ethical standards and create new social norms. Devoid of absolute standards and ascribing only to subjectivity, post-modernism would allow individuals freedom to make judgments independent of all other outside considerations. Because of the promulgation of post-modernism with its emphasis on individualism, absolute morals and ethical values would hardly be accepted by society. People would be taught to assert themselves, demand their rights and do what they think could agree with principles of human rights. However, when dilemma issues arose, such an emphasis could cause difficulties within society.

For example, present lobby groups who seek euthanasia rights are precursor to the thinking that such a society would bring. If this second scenario were to become more dominant in the future, debates on the definition and value of death would undoubtedly become more heated

over the next few years. At the same time, cohabitation would become a more accepted social practice. Many couples would perceive cohabitation as being more beneficial than marriage. They would not recognize the harm such a practice inflicts on society. The strength of society would become eroded as the foundation for healthy families is eroded. As well, we would see more complex ethical and social problems affecting families. Household sizes would diminish and the composition of family units would change to include more singles and mingles (i.e. housemates and cohabiting couples). The number of nuclear families consisting of a married couple with their children would be drastically reduced due to liberal divorce laws, postponement of first marriage, more out-of-wedlock births, increased social acceptance of cohabitation and steeply escalating costs for raising children. These factors would cause the number of dysfunctional families to rise. Family breakdown would lead to increased child abuse, adolescent crime and poverty.

On the macro level, Asia would be fragmented by the emergence of such a scenario. There is yet another plausible future, one in which Asia fails to manage the challenges of success. That is, in an increasingly protectionist world economy, the Asia economy could slow as the challenges of growth – workforce issues, over-centralization/urbanization, energy bottlenecks and environmental degradation – are never dealt with effectively and become constraints to sustained growth. The resultant society would be characterized by Asian nationalism and militarism as the economic glue that once held these countries together begins to break down, and monolithic capitalism causes economic tensions to fester into overt political strife.

In such a case, the signs of economic disintegration would first be seen in Japan. The Japanese economy continues to drift as productivity stagnates, the workforce ages and shrinks in size, and other countries, particularly Chinese competitors, begin to catch up with Japan. Japan has responded to economic crisis by slashing consumption (and therefore imports), and by trying to export its way out of trouble. The effects of such a strategy have been damaging for the global trade environment. As Japanese imports fall, US and EC exports to Japan have declined, widening the Japanese trade surplus with those regions and stirring up protectionist initiatives in the EC and the emerging NAFTA. Trade blocs could become a significant irritant and constraint to trade. If this would continue, US capital could shift from Asia to Latin America. European capital could gravitate to Eastern Europe and the former Soviet republics.

If this scenario were to dominate Asia's future, the structural constraint of slowing productivity could prove to be a formidable economic problem throughout this region. As already observed, when Asian economies slow down, investment in infrastructure steadily declines. Indeed, infrastructural investment had been weak before the 1997 Asian economic slowdown. During the days of heavy capital investment in manufacturing, returns on investments were rapid and high. But investments in such "intangibles" as infrastructure and the environment did not produce similar gains, and were largely ignored by Asian investors looking for high returns on their investments. If such trends were to continue, by the late 2010s, the repercussions of these investment decisions would be felt throughout the region, but particularly in Southeast Asia where living standards would fall. Urban overcrowding and environmental degradation would pose critical health and social problems.

In this context, economic problems would begin to generate political friction. Ideological conflicts and nationalism would arise as divergent models of capitalism clash. This would generate protectionism as Americans reach the breaking point with Asian economies that

refuse "to play by the rules". Europeans could raise protectionist walls to halt immigration and preserve their much-cherished social welfare systems. Asians would be confused and angered by the European and American insistence on maintaining "openness," protecting the environment, worker rights, intellectual property and a host of other intangibles with high costs to Asian business.

Fueled by the slowing regional economy, China's political relations would also suffer. Heavy-handed and "independent" Chinese foreign policy plus a security vacuum within Asia would help to feed a downward spiral of intra-regional political tensions. The Chinese military could move to fill the vacuum in Southeast Asia created by US and European isolationism; its navy now dominates the South and East China Seas and it has set its sights on the Indian Ocean. Japan, for its part, could increase its military presence in Indochina in order to secure both its markets and resources.

Soon, China could be perceived by other Asian countries as an "arrogant" power, out for regional hegemony. South Korea, Japan, and Singapore could lead efforts to counter Chinese expansion in the region, but they would be hindered by their own social and economic problems. While China reached out to the South China Sea, the Senkakus, and as far away as the Indian Ocean for resources, environmental confrontation could increase in Asia over growing carbon dioxide and water supply problems.

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### **Scenario III: "Transformed Asia"**

#### **Community-oriented and concentrated power**

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The third plausible future would bring both hope and frustration. The transformed Asia scenario assumes that social and political change - and perhaps even changed values and cultural norms - would give rise to enlightened voluntary action of society-wide dimensions. It is a future in which values would be shared, but only amongst each of the many small, competing groups: tribes, clans, "families," networks and gangs. It is a future in which Asians would build and enjoy the benefits of community under the help of a benevolent Big Brother government. Other groups that would experience high growth would be religious groups. Religious revivals would emphasize family ties and social benevolence. Community and religious groups would spur an urban renaissance. A surge of private philanthropy would spur profound social change.

The Net would allow each group to focus its economic activities and social services on specific, independently chosen groups. This may frustrate elite political rulers who could be threatened by the independent activities of these special interest groups. Thus, governments could impose heavy restrictions on these emergent groups. Resultant small - but often deadly - conflicts between specialized interest groups and government could emerge continually in Asia. Governments could try to control these groups by blocking NGO funding from overseas sources. Governments could blacklist some NGOs, most likely by imposing standard systems such as ISO or other standards upon NGOs. In fact, religious oppression in the name of national security already is practiced in other parts of the world. The primary concern in such a scenario would be the confrontations between state and civic groups. This conflict could cause social polarization.

Through economic activities at the macro level, there would be greater sub-regional integration within Asia based on cultural zone and strategic geography. This picture would be driven by sub-regional development and a weak regional security structure. Given the highly diverse levels of economic development throughout the Asia-Pacific, it may be that Asia would reject regional integration for a more "localized" approach to development and cooperation. Should such groupings evolve, Asia would most likely assume the following four sub-groupings, described from north to south:

- The first zone would be centralized around the Sea of Japan, and based on the massive Tumen River Area Development Program project. It would incorporate a trading area of the two Koreas, northeast China, Siberia and Japan.
- The second zone would be the Greater China Zone, incorporating the southern Chinese provinces of Guangdong, Fujian, Guanzhi and Hainan Island, along with Taiwan and Hong Kong.
- The third would be the Indochina zone, centered in Thailand and incorporating the three Indo-chinese countries of Vietnam, Laos and Cambodia, plus Myanmar, the southwestern Chinese province of Yunnan and possibly Singapore.
- The last would be located in the south most part of Southeast Asia, centered in Singapore, the southern Malaysian state of Johore and Indonesia's Batam Island, plus Brunei, and the rest of Indonesia

These new economic areas could prove to be the building blocs of a new Asian economy – the synergistic groupings required for economic development of the region in the twenty-first century. Four key factors would combine to bring about this new, sub-regional model of development: “hub cities” needed for cheap resources and labor; the drive for supranational economies of scale; the desire to maximize the advantage of geographic proximity in an Asia highly dependent on manufactured goods and the maintenance of political legitimacy by a closer focus on the development of local populations and markets.

Politically, there would be no clear regional leader, and a continued US presence would prove critical to maintaining stability. Indeed, as the Chinese outward-looking defense doctrine, also known as "peripheral defense," would increasingly overlap with China's need to secure resources and trade routes for a booming economy, Chinese movements into the South China Sea would appear ever more threatening. It is only through US naval cooperation and patrols with ASEAN that the Chinese would ultimately realize the significant cost that such a hard-line stance would have on their economic reforms. This initial cooperation and the growing fear of China would have particularly important political implications. They would cause ASEAN to become a significant political as well as economic force in the region. Military cooperation would be continued at the behest of Singapore in particular and arms sales into Southeast Asia would increase at a rate that would outpace the rest of the Asia-Pacific. These are the states that would feel most threatened by China and yet suspicious of giving Japan too great a role in the political/security management of the region due to past historical experience. A new ASEAN-based security alliance would begin to emerge in the region to balance the power of both China and Japan.

To the north, Korean reunification would be a direct result of the sub-regionalization of economic development in the Sea of Japan zone. Having witnessed the messy and expensive German reunification process of the early 1990s, South Korea would be in no hurry to tie itself to the inefficient, poor economy of the North. Pursuing a strategy of development before unification, South Korea would invest heavily in North Korea – particularly in the most

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crucial areas of transportation and telecommunications infrastructures. South Korea would also invest aggressively in the Tumen project in neighboring northern China and as far away as Siberia. All of this investment would be designed to develop markets, resources and, possibly, political allies for the newly unified Korea. By the turn of the century a new, and even more powerful player could be thrown into the Asian balance: a united Korea.

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**Scenario IV: "Civic Asia"**  
**Community-oriented and fragmentation of power**

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The last scenario illustrates the shift of power holders from the elite to the civic community. Economic reforms would continue to increase social inequity and generate deleterious environmental impacts, which would prompt a major blossoming and political offensive by civil society groups. Non-governmental organizations would thrive throughout the region, and corporations would be forced to embrace measures to increase their social accountability. People's involvement in religious and community groups in urban renewal would be part of a larger phenomenon: a huge increase in most parts of Asia in the number and influence of citizen's groups, voluntary organizations and other so-called non-governmental organizations.

Devoted to a host of social and environmental causes, these groups would deliver services, lobby governments, confront corporations and seek the public eye in the news media and at times demand social change. Such a multitude of ears, eyes and voices would transform political activity. But even more, their power would come from their ability to form spontaneous coalitions and to motivate and arouse public opinion. Increasingly, these coalitions would be national or even global in scope, with hundreds or thousands of such groups linked through the Net. A contemporary example of this type of social configuration is the successful worldwide campaign to ban child labor, which began with a network of community groups in India but soon found allies among social activists, labor unions and religious bodies in the rich countries. Another contemporary example of this type of activism is the now famous Save the Forest coalition, which now monitors activities in every country and regularly distributes its dramatic videos over the Net. In the future, the activities of these type of groups would lead to greater environmental preservation.

In industry after industry, codes of conduct would be devised by coalitions of citizen groups and industry representatives. Often never codified in law, the influence of these voluntary codes on corporate behavior would be nonetheless profound. The ability of citizen groups to monitor corporate activity worldwide and publicize their findings on the Net and through other media would prove as strong as force as legislation and far more flexible. Companies that once bribed government officials with impunity would find it impossible to bribe or silence an international network of hundreds of small organizations. They would find that damaged reputations cost them far more in sales and the ability to hire scarce talent than any conceivable fine. Financial markets, noting these impacts, would begin to value upright corporate practice.

Democratic forms of government and the rule of law would be nearly universal, and environmental conditions would gradually improve. For the first time, global civilization would conduct its affairs in a humane manner. Of course, many factors would have contributed to this achievement: growing prosperity, a half-century without a major war, the

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continuing rise in literacy and the ongoing rapid development technology. But it would be the social and political revolution led by citizen's groups that would have the most profound change on the nature of the human endeavor.

One side of this last hope-inspiring scenario gives rise to some concern. The rise of tolerance for subcultures would be a critical issue. Groups having beliefs, norms, morals, customs and practices dissimilar to those prevalent in society at large would increase both in number and variety. The growth of knowledge, stimulated in large part by the development of global information networks, would stimulate the number of international technical and special-interest groups that develop their own jargon, beliefs and customs. Some subgroups could adopt strong post-modernism beliefs and espouse anti-social or hedonistic values. Other subgroups would assume a strong human rights stance while others might unite to lobby a particular issue. Members of these subculture groups would use language, race, ideology, ethnic, religious beliefs or other factors to define themselves. This would erode traditional cultural identities and place great pressure on state governments to meet their demands. In turn, this could lead to social polarization, especially in the Asian nations having serious cultural conflicts. Conflict of interest among these groups would create such high-tension that, in an extreme, pessimistic projection, could possibly precipitate a war between different cultural groups. Groups that develop an international scope would have more power than those with only local support. It also would give rise to new sects, cults and alternative social movement groups. These diverse social groups could threaten the traditional values of each society.

Finally, I prefer to note that these scenarios do not fall neatly into a dichotomy of "good" or "bad", desirable or undesirable futures. Like the real life from which they are built, these scenarios are a mixed bag, at once wonderfully dreadful and dreadfully wonderful. Its mission is to break our old stereotypes and see the world with new perspectives. But our mission is to use them as tools to create the futures we desire as someone has once stated:

*“The best way to predict the future is to create it.”*

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