

“Many cultural, economic, and political trends suggest that Asian nations are becoming more integrated and even developing a regional consciousness. . . . Concurrently, however, other trends have led to rising nationalist sentiment in the region.”

## The New Schizophrenia: Asia Between Integration and Isolation

JOSHUA KURLANTZICK

In the fall of 2008, Chen Yunlin, China's chief negotiator with Taiwan, made a landmark visit to the island, which Beijing considers a renegade province. While there, Chen signed several critical agreements to open transportation between the island and the mainland, thus

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tightening business and cultural ties that already are uniting cities like Taipei and Shanghai (home to more than 100,000 expatriate Taiwanese). In many parts of Taiwan, Chen received a rapturous welcome. The island's most powerful figures greeted him; he met face-to-face with President Ma Ying-jeou.

But Chen's welcome was not entirely warm. When he arrived at a hotel for dinner, angry protesters ringed the building. Many of them were from the Democratic Progressive Party, which historically has pushed for Taiwanese independence. The demonstrators stayed for six hours, provoking a standoff with police and essentially trapping Chen inside all evening. When cars left the hotel, protesters spat on them as they sped away.

The juxtaposition of these events illustrates a transformation now occurring across much of Asia. The region is experiencing a new schizophrenia, a range of strategic changes that often seem contradictory—and could potentially prove disastrous.

On one hand, many cultural, economic, and political trends suggest that Asian nations are becoming more integrated and even developing a regional consciousness. In particular, Asian

opinion leaders—cultural elites, business executives, top foreign policy thinkers, and some senior diplomats—have embraced the process of regional integration. For the first time in its history, Asia is beginning to build real regional institutions, and nations are starting to cooperate on even the most sensitive issues, like intelligence sharing, environmental change, and the cross-border spread of infectious diseases.

Concurrently, however, other trends have led to rising nationalist sentiment in the region. These include a dimming of collective memories regarding the dangers and costs of national conflict; the emergence in China, South Korea, Japan, and elsewhere of a new generation of political leaders who were raised in more assertive domestic political environments; and increasing regional competition for natural resources. Although governments often use nationalism for positive and proactive ends, a virulent, reactionary, and destructive type of nationalism has taken hold among many younger Asians.

This strain of nationalism already has resulted in several fraught incidents. These have ranged from diplomatic snubs—like Chinese Vice Premier Wu Yi's abrupt cancellation of a May 2005 meeting with then-Japanese Prime Minister Junichiro Koizumi after the latter visited the war-tainted Yasukuni Shrine—to more dangerous events such as anti-Thai riots in Cambodia in 2003, anti-Japan riots in China in 2005, and a month-long military standoff between Thailand and Cambodia over a disputed eleventh-century mountaintop temple in the summer of 2008. Nationalist fervor was also on display during the worldwide Olympic torch relay staged by Beijing in 2008, when overseas Chinese students—who have been fully exposed to Western culture and political practices—react-

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ed stridently to demonstrations against China's repression of protests in Tibet.

How Asia's emerging schizophrenia plays out has significant implications, for the region itself and far beyond. If the integrationist impulses at work can triumph over the rise of divisive, nationalist feelings, the stage could be set for Asia over time to develop more significant, European Union-like regional institutions. These in turn could make future conflicts in Asia as unthinkable as a war today between Germany and France. Conversely, nationalist fervor, if allowed to fester, will pull apart the region's major powers, likely leading them to cold war-style tensions and perhaps even catastrophic conflict.

## ONE ASIA

The Asian region (excluding, for the purposes of this essay, countries considered part of the Middle East) seems far more diverse than, say, the European Union, but it is in fact more integrated than many realize. For an observer who dropped in today, not having visited the region since the 1980s, the changes would seem striking. At that time, many Asian nations did not even have diplomatic relations with each other. Today, the focus is increasingly on trade.

In the past few years, for example, China has displaced the United States as the largest trading partner of South Korea, Japan, and Australia. Asia's leading companies have focused on intra-regional mergers and acquisitions and, increasingly, on attracting regional managerial talent rather than importing expatriates from the West. Taiwanese firms alone have invested over \$150 billion in China.

A number of factors help explain this accelerating process of regional integration. Economic development has fostered rising cross-border trade and investment flows. Changing family structures, rising incomes, and shifting patterns of wealth have produced new middle classes across Asia that share similar lifestyles and consumption habits. New communications technologies, from satellite television to the internet, have helped cement these ties. Today fads that start in Tokyo or Seoul, such as drinking red wine or dyeing one's hair blond, go on to sweep through the region.

Indeed, a pan-Asian popular culture has emerged. It includes a "Korean wave" of soap operas that are translated into many languages, as

well as regional news websites and regional art, film, and music festivals showcasing homegrown talent. In particular, culture has helped bridge the gap between average Japanese and Chinese, as well as between China and Taiwan. Taiwanese pop music has become extraordinarily popular among younger Chinese on the mainland, while Japanese "J-pop" has earned fans in both China and Korea.

Most importantly China, the leading regional power aside from the United States, has abandoned the efforts it made in the early 1990s to revise the regional security order, and has begun acting like a status quo power. To build regional trust in its intentions, China has become more willing to help mediate regional conflicts. It has begun publishing defense white papers outlining its military budgets and goals. It has participated in more joint military exercises, played a role in regional counterterrorism efforts, and engaged in more military-to-military exchanges.

In addition, China has tried to minimize territorial disputes through border negotiations and compromises, even sometimes responding to Japanese

criticism that Beijing's navy encroaches into Japanese waters. China has reached an accord with Japan to defuse a long-running dispute over offshore natural gas

fields in the East China Sea. Beijing also, since the election of President Ma in Taiwan, has worked to minimize tensions with the island, boosting economic ties and, as noted, dramatically expanding transportation links.

Beijing's accommodating style has earned it accolades in the region. Even former Singaporean Prime Minister Lee Kuan Yew, historically one of the region's biggest skeptics regarding China, has noted in praise that "China has been courting its neighbors, and although the Chinese did not coin the phrase 'soft power,' they have exercised it with consummate skill."

Beijing also increasingly has taken on a larger role in nontraditional security issues in the region, such as infectious diseases and narcotics control. Many senior Chinese officials now consider drug trafficking a high-priority regional issue. This new emphasis has resulted in better information sharing with Asian and US law enforcement agencies, leading to the arrest in China's Yunnan province of key drug traffickers wanted by Thailand and, in recent years, to a significant decrease in drug pro-

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duction in the notorious Golden Triangle region of Laos, Myanmar, and Thailand.

These efforts have been moderately successful in reducing tensions with neighboring states. In Taiwan, China has won over much of the island's business community, which in turn has pressured Taipei to back away from earlier moves toward formal independence. In South Korea, China has become attractive enough that, according to polls, many average South Koreans see Beijing as less threatening than the United States, long Seoul's protector.

## TIES THAT BIND

Additional trends, especially prominent in the past several years, have reinforced the process of regional cooperation and integration. One is increased migration. Growing income disparities between China and poorer countries on its borders, like Laos, Cambodia, and Myanmar, have led to a wave of migration of Chinese into these nations in search of business opportunities and natural resources. For their part, Lao and Burmese migrants are flowing into China looking for short-term employment.

Meanwhile, the region is rapidly upgrading its physical infrastructure, and this is producing links that are tying together China, Russia, India, and Central Asia. Russia plans a new gas pipeline to China. China has invested over \$1 billion in a new port in the Pakistani town of Gwadar. And China and India have opened the Nathu La border pass in the Himalayas.

Though still incomplete, this new transformation in physical infrastructure already is having a dramatic impact on patterns of migration and trade. It is drawing investment and expanding migration for economic opportunity. It has funneled new waves of migrants to towns along newly constructed roads in Laos, Thailand, Kyrgyzstan, Kazakhstan, and many other nations. To take one example, new infrastructure has sparked development of industrial zones in eastern Thailand designed explicitly to attract Chinese business. These zones in turn draw many migrant workers from around the region.

Increasing flows of communication and information are also promoting regional awareness and networking. For example, younger generations of Asians, more comfortable with their wealth and seeking meaning beyond materialism, are turning

to regional humanitarian causes. A series of high-profile regional catastrophes, such as the tsunami in 2004 and the ongoing avian flu epidemic, have provided opportunities for these humanitarian networks to swing into action. Across the region, organizations like iVolunteers, which matches Indians with volunteer opportunities, have sprung up to link wealthy young Asians with needy causes.

These integrationist impulses have significant implications for regional economic and security governance. The region's multilateral economic, trade, and political frameworks have evolved rapidly in the past decade. Until the recent global financial crisis, Asia was leading the rest of the world in progress on lowering trade barriers. A future East Asia-wide free trade zone no longer seems impossible, and a series of intra-Asian currency swaps inaugurated during the financial crisis of the late 1990s may conceivably evolve one day into a kind of Asian Monetary Fund or Asian Monetary Union. Moreover, some elites in Asia increasingly look to their neighbors, rather than

outside powers, for economic, trade, and security leadership.

Perhaps most important, through formal multilateral meetings, so-called track two (or unofficial) diplomacy,

and informal summits like the Boao Forum for Asia, regional policy makers have developed the kind of personal links needed to resolve problems and defuse potential conflicts. This type of personal interaction often goes unappreciated in studies of regional security, yet it can matter more than formal dispute-resolution mechanisms. The personal interactions between Taiwan's Ma and China's Chen, for example, have helped smooth the process of establishing closer business and transport ties, opening the door to a new era in Taiwan-China relations.

## "OUR CULTURE IS SUPERIOR"

Even as these economic, cultural, and political changes bring the region together, other trends are pulling in the opposite direction, and potentially could spark dangerous nationalism. Asian governments have long practiced a pragmatic, inward-directed type of nationalism to consolidate the process of nation-building and promote sovereignty. This sort of nationalism is often used to unite an ethnically or religiously diverse popu-

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lation, as in Singapore, or to bridge regional gaps, as in South Korea.

Other countries have sought to instill a positive pride in their nations' culture, consumer products, and values. In China, young urbanites increasingly shun Western fashions in favor of high-end clothes made by local designers and featuring Chinese aesthetics. A recent survey by McKinsey & Company revealed that Chinese consumers prefer domestic brands to foreign ones.

Yet this pragmatic nationalism has not prevented the rise of another, more dangerous type of nationalism. This other strain is based on grievances, anger at outsiders, and, often, skewed historical memories—and it can quickly erupt into angry protest or worse.

Asia's middle and lower classes, compared to the region's globetrotting elites, interact less with their peers in neighboring countries and know less about World War II and the Indochina wars, the last set of conflicts that tore the region apart. According to a 2000 poll by the Japanese broadcaster NHK, far fewer young Japanese demonstrated knowledge about World War II than in a similar survey conducted in 1980. Similarly, few young people in China know anything about the role that Japanese aid played in rebuilding their country after World War II and in sparking the current Chinese economic boom. Nor do they know much if anything about negative regional perceptions of Beijing's support for Cambodia's murderous Khmer Rouge regime or of China's 1979 invasion of Vietnam.

In many Asian countries, publics in recent years have experienced roller-coaster rides of economic change, which have intensified the insidious form of nationalism and sparked antiglobalization and protectionist sentiment. In Japan, many cannot understand why Tokyo gets so little credit for decades of aid and investment in East Asia—which helped drive the region's post-World War II boom—while China, which has only recently become a major donor and investor, reaps significant regional goodwill for its actions. Indeed, for the first time in modern history, Japan and China stand as major powers in Asia at the same time, an unnerving prospect to many in Japan.

Evidence from across the region reveals the troubling potential of this angry strain of nationalism. A majority of Chinese respondents to one prominent 2005 study said—despite the popularity of Japanese culture in China—that they hated or disliked Japan. The converse is true as

well. Despite increasing Japanese travel to China and growing Japanese investment in China, most Japanese polled agreed with the statement, "Our people are not perfect, but our culture is superior to others." Eighty percent of respondents to a recent poll in India carried out by a television station said they felt that China could not be trusted as a neighbor. Chinese nationalists in 2008 berated Beijing, in online forums and other media, for signing a gas deal with Japan. With a spark, such anger can turn into violence: In 2004, anti-Japan demonstrators rioted at the Asian Cup soccer final in China.

In many cases, Asian publics consume just enough media to make quick judgments but not enough to develop informed, open-minded analyses of their region. Indeed, new media like the internet, text messaging, and blogs, though they can link people together, can also reward the most strident voices and amplify otherwise minor grievances. On Chinese online bulletin boards like the "Strong Nation Forum" of the *People's Daily*, respondents compete to adopt the most aggressive stances, often criticizing Chinese leaders for reaching compromises on issues such as the 2001 Hainan Island incident (when Chinese authorities released, after 11 days of detention, the crew of a US surveillance aircraft that had collided with a Chinese jet). After a 2008 Tibetan uprising, these nationalists hammered Beijing for being too slow to crack down on the Tibetans.

## NATIONALISM ONLINE

Governments in the region are not above playing to nationalist prejudices. In China, the government has tolerated and sometimes even encouraged internet-borne nationalist fervor. But it now finds it cannot tame the tiger, because the Chinese state has far less control over online forums than over traditional print and broadcast media. An online petition opposing Japan's attempt to gain a permanent United Nations Security Council seat received over 22 million signatures, even though the Chinese government tried to discourage such anti-Japan sentiment.

In Japan, the popular bulletin board of Channel 2, <http://www.2ch.net>, has become a forum for World War II revisionism as well as virulently anti-China, anti-Korea, and anti-immigrant sentiment. Internet nationalism like this helped spark Japanese sales of a *manga* comic book titled "Hating the Korean Wave." It has made stars of nationalist Japanese punk rockers and cartoonists

like Yoshinori Kobayashi, whose comics celebrate Japan's policies in World War II and demonize China and Korea.

This electronic nationalism is a force not only in China and Japan. In Indonesia, online writers helped fuel anger against neighboring Malaysia for using a supposedly Indonesian song in a tourism campaign, and for mistreating an Indonesian sports referee. These may seem like minor grievances, but the internet amplifies even the smallest outbursts: Demonstrators angered by these complaints gathered in Jakarta and prompted Malaysian athletes to flee the city because of concerns for their safety.

This outward-focused, grievance-oriented nationalism can have severe implications. Indeed Asia, partly because of such public anger and leaders' concerns about regional rivalry, could be heading toward an arms race. India may spend as much as \$40 billion on new armaments over the next five years, including on many new contracts with American weapons makers. China now has the world's second-largest military budget, and has begun to consider what types of expeditionary power it must project to protect its energy investments around the globe. Japan is upgrading its military forces, and switching its focus from Russia to China. Many Southeast Asian nations are boosting their defense spending as well. Indonesia recently signed some \$6 billion worth of arms and energy deals with Russia, and Malaysia and Singapore are upgrading their fighter aircraft capacities.

## AMERICA'S AMBIVALENCE

Reflecting Asia's fundamental contradictions, US policy in the region is schizophrenic in its own right. In 2006, the United States and the Association of Southeast Asian Nations (ASEAN) created an enhanced partnership, and a trade and investment framework agreement (a precursor to a free trade agreement) was signed. More recently, Secretary of State Hillary Clinton attended the annual ASEAN foreign ministers' meeting, a show of respect to Asian nations, and signed ASEAN's Treaty of Amity and Cooperation, which pledges signers to maintain a zone of peace in the region.

On the other hand, the United States has been ambivalent about engaging the Asian integration movement. Washington until lately has been remarkably unenthusiastic about pursuing membership in the East Asia Summit, a recently created annual forum of 16 Asian countries that could play a major role in driving the region's

future. Even more important, US policy—with its longstanding focus on bilateral security alliances and trade arrangements and prioritization of hard power over soft—has helped foster the pernicious strains of nationalism that are emerging in the region, particularly in China.

Looking to hedge against the rise of Chinese power, the United States has been active in revitalizing security relations with Japan and Australia, while forging new military ties with India, Indonesia, Vietnam, and Singapore. And Washington, instead of bolstering the process of regional economic integration, has invested significant capital in trying to negotiate bilateral free trade deals with Singapore, Malaysia, Thailand, and South Korea.

## THE GROWTH EFFECT

Asia's schizophrenic conditions are worrisome. Still, the region is not likely to confirm the predictions of some analysts, who have claimed that Asia will come to resemble 1930s Europe during the run-up to the Second World War. Because the region has witnessed such dramatic economic growth and integration in recent decades, no government can resort to protectionism or excessive nationalism without paying a severe domestic price—the prosperity of each country's citizens increasingly depends on good relations with neighboring countries.

In China, for example, the Communist Party clearly recognizes that its legitimacy depends on sustaining high rates of economic growth, rates that would plummet if China pursued truly nationalistic economic policies. The same young Chinese who indulge in anti-Japanese online nationalism are also the ones who have benefited most from three decades of economic opening, much of which has been built on export-oriented manufacturing, often as a platform for foreign companies.

As the process of regional economic integration continues, the commercial and travel links already developed at the elite level will broaden to include the growing Asian middle class. The emergence and growth of low-cost air carriers like Tiger Airways and AirAsia have made it easier for middle-class Asians to travel abroad for leisure. This in turn helps them see their neighbors as people, rather than as nebulous threats.

China, because of its booming economic growth, has begun to attract middle-class migration as well. Some traders from Laos, Myanmar, Cambodia, and Vietnam want to move perma-

nently to China, and the number of foreign students in China has been rising by some 20 percent annually. Some of the students, particularly those from developing nations, never go home—and over 70 percent of the foreign students in China come from other parts of Asia.

As societal ties deepen, average people in Asia are adopting increasingly similar views on important political, economic, and cultural values, which will be critical to building future regionwide institutions. This is particularly noticeable among younger Asians. In a region where only a decade ago prominent leaders touted the idea of “Asian values”—values that supposedly included a pre-eminent desire for social order and group harmony and, consequently, less interest in liberal democracy—studies now demonstrate significant support across the region for pluralism and individualism.

One recent study reveals that young people in various Asian countries have less attachment to traditional social values; at the same time, they place growing emphasis on individual freedoms, equal political rights, and the necessity of civil society groups. Another analysis, conducted by the East Asia Barometer project, shows that a majority of people in nine Asian nations believes that democracy is always the preferable form of government.

Meanwhile, because governments have patronized nationalist fervor, they are also in a position to exert some control over it. For example, even when the Chinese government has abetted nationalism, it has never backed off its acceptance of and support for regional institutions, including the East Asia Summit, the ASEAN Regional Forum, and many others. In other words, while Beijing views nationalism as a useful tool for shoring up domestic support for the party-state, it places a higher priority on bolstering China’s role in the region. Likewise, as Vietnam has rebuilt its links to China (which is becoming one of its most important trading partners), it has deployed police to make sure that demonstrations at Chinese missions do not get out of hand.

Similarly, since Washington’s myopic bilateral approach in Asia has helped foster the emergence of nationalist sentiment, it stands to reason that the United States, by shifting its approach, could help prevent the resurgence of Asian hypernationalism. Just as decades-long US policy in Europe

helped suppress nationalism by supporting the development of regional integration, a commitment by Washington to community building in Asia would measurably strengthen the centripetal forces at work in the region.

## THE MULTILATERAL SHIFT

Yet the United States must attempt a difficult balancing act: maintaining its role as the region’s most important security actor and diplomatic broker while assigning much greater priority to strengthening regional institutions. First and foremost, this will require a basic change from a bilateral to a multilateral approach in security and economic policy. Washington, for example, cannot continue down a path of formalizing the US-Japan-Australia-India quadrilateral relationship, which Beijing is beginning to suspect is a nascent anti-China bloc.

The United States should also encourage China to assume greater leadership in regional security affairs. Such an approach would not prove popular with some American policy makers, but

it is necessary to contain rising nationalist ire in China and to reassure Beijing of US strategic intent. The United States could, for instance, help create a permanent security institution in Northeast Asia, modeled on the six-party talks

relating to North Korea’s nuclear program, and based in Beijing.

Or Washington could nudge China to become the point nation for addressing the political and security crisis in Myanmar, a role the Chinese might actually be willing to play, given their concerns that Myanmar’s turmoil is spilling into southwestern China. Affording Beijing more opportunities to become a stakeholder in the region’s stability would help defuse nationalistic suspicions. It would also pose a good test of China’s professions that its rise is peaceful—and Beijing’s performance in this regard would be obvious to all in Asia.

The United States did well to sign the ASEAN Treaty of Amity and Cooperation last July. Although the document is more a statement of normative principles than a set of binding legal commitments, many in Asia view it as an important expression of the integration movement, as well as a litmus test for Washington’s approach to the region.

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President Barack Obama's November trip to Asia set a solid foundation for US reengagement with Asia's multilateral institutions. By meeting with all 10 ASEAN leaders, a first for an American president, and by throwing US support behind a Trans-Pacific Partnership trade agreement, the president signaled that the United States would try to promote positive Asian integration. By helping to reinvigorate the Asia-Pacific Economic Cooperation process, Obama could help lay the basis for a free trade zone that covers the entire Asian region.

In the meantime, Washington could better nurture the noneconomic dimensions of regional integration by fostering the development of robust civil societies. US diplomats need to develop stronger contacts with a wider spectrum of Asian leaders. Too often, diplomats have restricted their interactions to elites, who tend to speak English but who are far more integrationist-minded than the broader public, where the real danger of nationalism lies. Narrowly restricting one's circle of contacts was feasible in the past, when elites, often running authoritarian nations, were able to control public sentiment. It is no longer feasible today, when politicians, in most nations democratically elected, must respond to the public's will.

Likewise, aid programs should be drastically reoriented to support a broader segment of Asian society, including journalist groups, bar associations, public schools, student leadership organizations, and other critical institutions. Supporting civil society groups would help inculcate liberal democratic values, and would support the integration of the region around these values. Currently, an overwhelming percentage of US assistance is spent on military and security cooperation, leaving aid programs highly unbalanced. Aid programs also could help support a reconceptualization of history, in which scholars from across the region work together to commemorate World War II, assign blame appropriately, and develop a reasonable, informed history curriculum for schools throughout Asia.

## RESISTING TEMPTATION

While US policy is being reoriented to support closer integration and greater community building, Asian leaders must do their part as well. Most

importantly, they must resist the temptation to indulge assertive nationalism, even though this can serve short-term domestic political ends. Policy makers need to differentiate more carefully between pragmatic nationalism that builds patriotism and pride, and the toxic nationalism that plays on historical grievances, demonizes neighbors, and contributes to rising tension within the region.

This approach will require reorienting entire educational systems—no easy task, given the political influence of conservatives in countries from Japan to China to Thailand. But farsighted Asian leaders realize that the region's future depends on deepening the integration process and that their own governments rely on integration-driven economic growth to keep their publics happy.

Clear, high-profile measures in confidence building can also help reduce nationalistic sentiments before they reach dangerous levels. Japan, which once shunned bilateral trade agreements, increasingly has embraced them, signing deals with Indonesia, Singapore, and Thailand, among others. Japan is still Asia's largest economy, and its decisions carry weight. It needs to reemphasize multilateral trade initiatives; this would include a stronger push for a Japan-ASEAN free trade agreement and, in the long term, an Asia-wide free trade zone.

India and China also can do more to support regional multilateral initiatives, for instance by reinvigorating the ignored South Asian Association for Regional Cooperation and ultimately creating a South Asia-wide free trade area. Although Delhi would resist China's influence in its backyard, the vast economic benefits of linking China and South Asia should outweigh such concerns. Asian powers could augment free trade zones by allowing greater freedom of movement for people traveling within Asia, which would promote tourism, business travel, regional cultural events, informal summits, and other people-to-people contacts.

In the long run these policy options, combined with existing trends in Asia, could forestall virulent nationalism and encourage governments to push for greater regional integration. In a region that encompasses the majority of the world's people and the fastest-growing economies on earth, this integration ultimately could dwarf anything seen in Europe or North America. ■