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## EXECUTIVE SUMMARY

This chapter looks at domestic political developments in Asia and their implications for international relations and grand strategy in the region.

### MAIN ARGUMENT:

Nearly all the major countries of Asia are undergoing important domestic political transitions that are affecting their governments. At the same time globalization, modernization, and a changing global balance of power are transforming the international environment. Understanding how internal developments shape regime responses to this shifting external environment is essential to properly assess changing strategies in the region. Responding effectively to any of these developments will necessitate responding to the underlying domestic political factors that are driving state behavior.

### POLICY IMPLICATIONS:

- Economic change is driving the behavior of many critical Asian states, such as China, India, and Russia. Where maintaining economic success is a primary objective, grand strategies can in some ways be best understood as components of broader economic policies.
- Internal political transformations are drivers of international behavior in some other Asian states, such as Japan, South Korea, and Indonesia. Where democratization has deepened, political leaders more responsive to popular opinion have emerged to chart more assertive security approaches.
- The challenges of building institutions or arresting their decay dominate the agendas of still other Asian states, such as those in South and Central Asia. The informal social groups and militaries that control a growing share of political power in these countries define their grand strategies primarily in terms of maintaining regime survival and stability.
- Changing domestic political factors are also relevant in the pursuit by Iran of nuclear weapons, the growing plausibility of an Asian regional security architecture, and the increasing challenges posed to Asian countries by regional environmental problems.

## Domestic Politics and Grand Strategy in Asia

Ashley J. Tellis

Domestic politics has long been viewed as a critical driver of a nation's grand strategy. From Thucydides in the west to Kautilya in the east, the character of a state's domestic politics—understood as encompassing everything from its history, ideology, economic arrangements, and governing institutions—was perceived to be the principal determinant of its national goals. To the degree that these goals could be realized only in reference to the objectives of other states—which, in turn, were conditioned by their own history, ideology, economic arrangements, and governing institutions—domestic politics was seen to shape the character of the international system as well. This articulation was masterfully sketched out in Thucydides' great work, *The Peloponnesian War*. Because of its assertion that “the real cause” of the conflict between Athens and Sparta was “the growth of the power of Athens, and the alarm which this inspired in Lacedaemon,” this opus is often viewed as the acme of “systemic” realism. Yet, often overlooked is that Thucydides, despite having provided the most celebrated “structural” explanation for this collision, discerned its causes in the core conditions of domestic politics, in particular, the spiritedness of Athens and the passivity of Sparta. These internal characteristics defined the “grand strategies” of the two states and, together, created conditions for the combusive struggle that Thucydides would describe “as a war like no other.”<sup>1</sup>

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<sup>1</sup> For an analysis of Thucydides' explanation of the Peloponnesian War from the perspective of social science, see Ashley J. Tellis, “Reconstructing Political Realism: The Long March to Scientific Theory,” in “Roots of Realism,” ed. Benjamin Frankel, special issue, *Security Studies* 5, no. 2 (Winter 1995): 3–100.

This approach to understanding international relations and grand strategy as outcomes of domestic politics has been part of a long tradition of political inquiry that, until the advent of neo-realism, was the dominant mode of explaining the actions of states. After Thucydides, a long and distinguished list of Western political theorists—such as Aristotle, Cicero, Augustine, Machiavelli, Hobbes, Kant, and Burke—and Eastern theorists such as Kautilya all in different ways argued that domestic and international political life cannot be understood except through the prism of the “regime.” The regime writ large—meaning the values and structures associated with the distribution of power within a country—provided the medium for human nature to express itself.<sup>2</sup> This human expression invariably found a distinctive manifestation in the country’s “grand strategy,” which could be understood as the device by which statesmen organize the whole gamut of domestic and international resources to produce, at the very least, security for their country. Such a grand strategy would, no doubt, be shaped by the perceptions of the power, interests, and objectives of one’s neighbors; these realities would, however, also be comprehensible only as products of their own domestic politics or, in other words, the strategic choices of those regimes.

This introductory chapter is divided into three sections. The first section argues for incorporating “domestic” politics into theories of international politics, especially realist theories of international politics. Such incorporation is beneficial for explanatory comprehensiveness and on the grounds of fidelity to the larger tradition, which has always been concerned over how power has been exercised both within and outside states. The second section surveys the key currents of contemporary domestic politics in Asia as analyzed by the various authors whose work is included in this volume. The third and concluding section highlights the key issues for policymakers that are suggested by the various country, regional, and topical studies found in this book.

## Restoring Domestic Factors and Grand Strategy to International Politics

This volume, *Strategic Asia 2007–08: Domestic Political Change and Grand Strategy*, explores how domestic politics and the changes occurring therein in key Asian states affect their grand strategies. Although every

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<sup>2</sup> Eugene F. Miller, “Leo Strauss: Philosophy and American Social Science,” in *Leo Strauss, the Straussians and the American Regime*, ed. Kenneth L. Deutsch and John A. Murley (Lanham: Rowman and Littlefield, 1999), 91–102; and Steven Lenzner and William Kristol, “What was Leo Strauss up to?” *The Public Interest* 153 (Fall 2003): 9–39.

volume of the Strategic Asia series since its inception has implicitly engaged issues of domestic politics in the context of exploring the annual main theme, this year's effort makes domestic politics the explicit center of analytical attention. The goal of the research, as always, is to explain a nation's "grand strategy," meaning the objects and instruments by which a given country produces national security, and to understand the international consequences of these strategies and other driving forces for the country itself, the larger region, and the United States. The volume therefore focuses on grand strategy as the dependent variable. The goal is twofold: first to describe the national security goals of various Asian states, and second, and more importantly, to explain how these states have gone about securing their interests in the context of the larger changes in their domestic environment.

This focus on domestic politics and the changes occurring in the key Asian states is of particular interest because almost all the major countries of Asia are undergoing significant internal political transitions, either in terms of leadership change, ideological flux, institutional alteration, or societal transformation. In political history such dramatic transitions rarely occur synchronically within a given region, especially one that is as diverse and important as Asia. By all accounts, the Asian continent is clearly becoming the most important concentration of power within the international system; how this power will be employed in the years and decades ahead remains an issue of considerable significance. Because this exercise of power will arguably depend greatly on the nature of the regimes found in various Asian states, an examination of the transformations taking place in their domestic politics and how these changes are affecting or could affect their respective grand strategies is worthwhile.

Such an effort has particular merit because a wide range of contemporary scholarship in political science and international relations theory has demonstrated that domestic politics plays an extraordinary role in how states respond even to those challenges which ordinarily appear to lie outside the bounds of domestic politics as conventionally understood. Thus, for example, Jack Snyder has shown how domestic struggles within states shape their international ambitions. Bruce Bueno de Mesquita and David Lalman have demonstrated how domestic politics affects choices involving interstate war, while Susan Peterson has shown the same with respect to crisis bargaining. Bruce Russett has cogently argued the case for why certain domestic political structures and regimes, such as democracy, have significant pacifying effects even in an otherwise anarchic international political system. Daniel Verdier, Sharyn O'Halloran, and Helen Milner have made seminal contributions on how domestic politics

affects national economic choices, particularly in respect to trade policy. Paul Huth has explored how domestic politics shapes a country's approach to resolving territorial disputes, while Jeffery Legro and Elizabeth Kier have investigated the same in the context of military doctrine, and Allan Stam has demonstrated how domestic politics can in fact shape the very outcome of war. These, and many other scholars—such as Robert Putnam, Andrew Moravcsik, Roger Rogowski, and David Lake—have thus contributed to clarifying the critical relationship between domestic politics and state strategies in international politics.<sup>3</sup>

While the literature on this relationship is indeed vast and beyond easy synopsis, the proposition that domestic politics shapes a nation's grand strategy ordinarily would have been trite and banal were it not for the fact that the most prominent contemporary academic theory of international politics—neorealism or structural realism—is often understood as claiming that domestic politics is irrelevant to the explanation of state decisions. Such a reading derives largely from Kenneth Waltz's insistence that unit-level factors must be excluded from structural explanations pertaining to the large-scale uniformities in international politics. As Waltz argues, "a system theory of international politics" must not include variables in play "at the national level, and does not imply or require a theory of foreign policy any more than a market theory requires a theory of the firm."<sup>4</sup> In the sparsest version of his formulation, the presence of "anarchy" (meaning the absence

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<sup>3</sup> See, for example, Jack Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca: Cornell University Press, 1991); Bruce Bueno de Mesquita and David Lalman, *War and Reason* (New Haven: Yale University Press, 1992); Susan Peterson, *Crisis Bargaining and the State: Domestic Politics and International Conflict* (Ann Arbor: University Michigan Press, 1996); Bruce Russett, *Grasping the Democratic Peace* (Princeton: Princeton University Press, 1993); Daniel Verdier, *Democracy and International Trade* (Princeton: Princeton University Press, 1994); Sharyn O'Halloran, *Politics, Process, and American Trade Policy* (Ann Arbor: University of Michigan Press, 1994); Helen V. Milner, *Interests, Institutions, and Information: Domestic Politics and International Relations* (Princeton: Princeton University Press, 1997); Paul Huth, *Standing Your Ground: Territorial Disputes and International Conflict* (Ann Arbor: University of Michigan Press, 1996); Jeffery Legro, *Cooperation Under Fire: Anglo-German Restraint During World War II* (Ithaca: Cornell University Press, 1995); Elizabeth Kier, *Imagining War: French and British Military Doctrine Between the Wars* (Princeton: Princeton University Press, 1997); Barry R. Posen, *The Sources of Military Doctrine* (Ithaca: Cornell University Press, 1984); Allan Stamm, *Win, Lose, or Draw: Domestic Politics and the Crucible of War* (Ann Arbor: University of Michigan Press, 1996); Robert D. Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization* 42 (1998): 427–60; Andrew Moravcsik, "Introduction: Integrating International and Domestic Theories of International Bargaining," in *International Bargaining and Domestic Politics*, ed. Peter B. Evans, Harold K. Jacobson, and Robert D. Putnam (Berkeley: University of California Press, 1993), 3–42; Roger Rogowski, "Institutions as Constraints on Strategic Choice," in *Strategic Choice and International Relations*, ed. David Lake and Robert Powell (Princeton: Princeton University Press, 1998), 115–36; and David Lake, "Powerful Pacifists: Democratic States and War," *American Political Science Review* 86, no. 1 (March 1992): 24–37. For a more exhaustive survey of works pertaining to the relationship between domestic and international politics, see James D. Fearon, "Domestic Politics, Foreign Policy, and Theories of International Relations," *Annual Review of Political Science* 1 (1998): 289–313.

<sup>4</sup> Kenneth N. Waltz, *Theory of International Politics* (New York: Random House, 1979), 71–72.

of super-ordinate authority in the international system) and the distribution of power among states (meaning the number of great powers existing at any given point in time) suffice to explain the recurrent regularities of international politics, the most important of which are repeated balancing behaviors by states.<sup>5</sup> Grand strategy in this scheme of things is reduced to a triviality that varies only in accordance with the differences in a state's geographic location and relative power.

This approach, when coupled with Waltz's own ambiguous formulations about the relationship between domestic politics and international behavior in his classic *Theory of International Politics*, has given rise to a large literature that implicitly or explicitly seeks to refute his claims. His critics counter either by asserting that many balancing behaviors cannot be explained without reference to domestic politics or, more interestingly, that what often appears as balancing behavior internationally is little other than the efforts made by some political groups to manipulate foreign policy in order to advance their own interests domestically.<sup>6</sup> While this debate cannot be resolved here, worth noting is that Waltz's claim that domestic politics, a unit-level artifact, is unnecessary to explain the recurring regularities in international politics does not necessarily contradict the assertion that domestic politics is essential to understanding how states respond to the challenges posed by a competitive international system.

The neorealist desire to overturn the classical realist heritage on this issue is driven by both methodological and substantive concerns. At the methodological level, the neorealist effort can be viewed as still subsisting in the traditional realist paradigm to the degree that it is viewed primarily as a "thought experiment" that seeks to investigate how much the most parsimonious hypothesis, centered on systemic factors alone, can explain about international politics. Neorealism begins to deviate substantially from the traditional realist pattern of explaining political phenomena, however, when its methodological preferences begin to reflect a different substantive claim: that the domestic politics of a state, and specifically its political regime, does not matter fundamentally as far as its national strategies are concerned. All states, irrespective of the character of their internal regimes, will behave similarly so long as they find themselves in comparable strategic environments.

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<sup>5</sup> Waltz, *Theory of International Politics*, 79–128.

<sup>6</sup> For a useful survey of how different schools of international relations theory perceive international politics to be enmeshed with domestic politics, see Peter Gourevitch, "The Second Image Reversed: The International Sources of Domestic Politics," *International Organization* 32, no. 4 (Autumn 1978): 881–912.

Though whether this assertion is true remains a matter for empirical research, the problematic consequences of the neorealist position are worth recognizing. By asserting the essential irrelevance of domestic politics and the character of the regime (and, by implication, grand strategy), the neorealist argument divorces itself from both classical political philosophy and the traditional realist heritage. If the explanatory fruits of neorealism were in fact greater than that of its progenitors, this consequence might be dismissed entirely as an aesthetic casualty or one pertinent to the history of ideas rather than as a substantive loss. It is not obvious, however, that this is in fact the case. To begin with, neorealism's principle prediction about invariant balancing in the international system is neither deductively accurate nor empirically true. Thus, even within its own self-defined frame of reference, the explanatory value of neorealism's key conclusion is suspect. Further, its own methodology precludes neorealism from interrogating what was of great interest to both classical philosophy and traditional realism: the creation of political order *within* states and the implications of this process for international politics. Neorealism cannot explain the phenomenon of state formation and, by implication, cannot account for the fact that the genesis of international politics is rooted in the incomplete process of producing order from a primordial, albeit hypothetical, "state of nature." Thanks to this lacuna, neorealism cannot defend itself against its strongest critics. By asserting the primacy of domestic politics, these detractors are in effect arguing that the international realm is little other than an arena for national elites to contend with one another—even as these leaders might just as regularly collaborate across state boundaries to defend their privileged positions *within* their respective national hierarchies against other subaltern claimants to power.<sup>7</sup>

As a result of its methodological approach and substantive claims, the neorealist paradigm thus risks being unable to account for what is an important dimension of political life—both inside and outside states—and one that necessitates both grand strategy and its corollary, which is statesmanship. The best that neorealism can do in these circumstances is to admit that while the global distribution of power will define the challenges that states must meet if they are to survive in a competitive environment, there may still be room for analysis of domestic politics. Consideration for this non-system-level variable can be entertained because this arena invariably regulates how exactly states go about this task of decisionmaking and to what degree these states may in fact be successful, relative to other states. Neorealists should, no matter how grudgingly, concede this

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<sup>7</sup> Tellis, "Reconstructing Political Realism"; and Ashley J. Tellis, "The Drive to Domination: Towards a Pure Realist Theory of Politics" (Ph.D. diss., University of Chicago, 1994).

position, because even in terms of their own paradigm the differences in the objectives pursued by states, the capacity of others to confidently assess those objectives, the variation in effective national power, the ability of states to evaluate such variation, and the differential capabilities among states for increasing their power are precisely what make “domestic politics” so central to explaining various international outcomes. At the very least, therefore, explaining the recurrent regularities in international politics and the drivers shaping state decisions in the face of international pressures are thus complementary—and not competitive—analytical tasks. This insight, which remains the bedrock upon which the classical realist corpus was built, often appears at risk of being overlooked in crude formulations of the neorealist paradigm.

While explaining the repetitive patterns of international politics in the manner sought by Waltz may justify treating countries as differentially sized “black boxes”—at least as a methodological expedient in the first instance—understanding how and why states respond to international competition in the way they do requires prying open these bordered “power containers.”<sup>8</sup> The analyst must look within the “country-as-a-black box” to understand how state structures, society, and the interstices of state-society relations bear upon the country’s strategic objectives and its ability to successfully attain those objectives. This kind of analysis is necessary for at least two reasons, both of which would have been readily understood by the classical realist tradition.

The first is in response to the neorealist presumption that states can effortlessly transform their resource endowments into effective national power in response to changing systemic constraints—much as prices constantly shift in relation to changes in supply and demand in a perfectly competitive market. Nations actually invariably require conscious public policies that enable them to make such adjustments in practice. This, in turn, requires a “grand strategy,” meaning an internal plan of action that enables a national leadership to navigate through all manner of domestic institutional, ideological, political, and economic constraints in order to reach its goal. Any action that changes the prevailing status quo in regard to mobilization and extraction of societal resources invariably creates new winners and losers; a state’s grand strategy must therefore find ways of obliging various internal constituencies (and perhaps even accommodating other transnational constituencies in support of its aims) even before its

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<sup>8</sup> Anthony Giddens, *The Nation-State and Violence* (Berkeley: University of California Press, 1987), 13.



worth is tested through contact with national competitors.<sup>9</sup> Eckart Kehr described the challenge in his masterful study of Weimar history:

A foreign policy has—this may sound trivial but it is often overlooked—not only an antagonist in front of it but a homeland behind it. A foreign policy is contending with the adversary and also fighting for its own country; it is guided by its opponents' moves, but also—and even to a larger extent—by the will and needs of the homeland, whose concerns are primarily domestic.<sup>10</sup>

Managing this process is neither costless nor automatic but in most instances will determine how a country performs relative to others in coping with the challenges posed by the international environment.

Second, even as statesmen orchestrate their national responses to the larger strategic environment, they must be mindful of the consequences of their international policies for their own influence and authority at home. In this sense, leaders—even in the most authoritarian regimes—are condemned to play “two-level games.”<sup>11</sup> The elite must constantly consider how their foreign policies are judged by various domestic stakeholders who can affect the elite hold on power. Recent scholarship suggests that political leaders are constrained by two factors at the domestic level: policy ratification and leadership selection.<sup>12</sup> Policy ratification, carried out through formal or informal means, refers to the fact both that domestic audiences evaluate the success of a statesman's foreign policies and that these evaluations condition their support for the governing dispensation. Leadership selection, in turn, is connected to the nature of the regime and is related to the kind of individual costs that statesmen bear should their preferred strategies or policies fail. The conventional wisdom on this issue is that democratic leaders face greater audience costs than authoritarian leaders and, hence, are more constrained in their choice of policies. The flip side, however, is that democratic leaders can also afford to take more risks because failures of grand strategy would “only” cost them their office, whereas any comparable fiascos accruing to authoritarian leaders could produce more devastating consequences for them personally. Important here is that the burdens of failed national strategies have an impact on leadership choices: because this reality shapes how states finally behave in

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<sup>9</sup> Richard Rosecrance and Arthur A. Stein, “Beyond Realism: The Study of Grand Strategy,” in *The Domestic Bases of Grand Strategy*, ed. Richard Rosecrance and Arthur A. Stein (Ithaca: Cornell University Press, 1993), 3–21.

<sup>10</sup> Eckart Kehr, *Economic Interest, Militarism, and Foreign Policy* (Berkeley: University of California Press, 1977), 23.

<sup>11</sup> Putnam, “Diplomacy and Domestic Politics.”

<sup>12</sup> *Ibid.*; and Joe D. Hagan, *Political Opposition and Foreign Policy in Comparative Perspective* (Boulder: Lynne Rienner, 1993).

international politics, such “domestic” factors must be accommodated by any realist theory of international politics.

## The Diversity and Challenges of Domestic Politics in Asia

Investigating how domestic politics impacts grand strategy is a challenging task that requires addressing diverse issues pertaining to the political system, political ideology, elite and mass politics, political economy, and international relations. The notion of “domestic politics” implicit in this volume is, therefore, a broad one that refers to the relationships between the “rulers” and the “ruled” in any given country. Since this compact is manifested in certain constitutional arrangements that describe the nature of the regime, each of the chapters in this volume considers (1) the structures of authority, i.e., the institutions that sanction political actions and (2) the structures of power, i.e., those critical social forces (or groups) having the capacity to shape decisions made by state authority in consequential ways. As appropriate, each chapter examines, explicitly or implicitly, what accounts for the particular compact between the rulers and the ruled in the state or region under focus; to what social, political, ideological, economic, and international forces the rulers and the ruled are responding; what external or internal factors could change the current structures and processes of domestic politics within a given state; and what the potential for significant change in domestic politics at either a structural or process level is over the next five years.

To the degree possible, each of the authors has also attempted to map the patterns of internal change in the country or region concerned against the backdrop of the three great transformations currently occurring in the global system:

- the phenomenon of globalization, understood as the growing share of global economic activity occurring between people who live in different countries and the increasing integration of economies around the world
- the phenomenon of modernization, understood as the increased capacity for social transformation on the part of both states and societies through the growing rationalization of human action

- the phenomenon of the changing balance of power globally, presaged by the shifting core of the international system from the United States and Europe to Asia and as witnessed most acutely in the form of new rising states such as China and India

The analysis of domestic politics herein, as in all previous volumes of *Strategic Asia*, is undertaken ultimately with a view to understanding how transformations underway in key states in Asia affect their strategic behaviors. Toward that end, each of the country or regional chapters in the volume concludes with an assessment of the implications of internal political change for the relations that these key states in Asia have with their neighbors and the United States, specifically with respect to the following issues: (1) questions of war and peace; (2) questions pertaining to internal versus external balancing, that is, the choice between relying on one's own resources for producing security versus seeking new foreign allies; (3) questions relating to military modernization, arms races, and the development of weapons of mass destruction; and (4) questions relating to the reality or prospect of cooperative security relations with the United States.

By thus engaging a wide range of issues in a manner pertinent to each country, this volume provides a synoptic view of how the evolving internal changes and domestic political trends in different states or regions in Asia condition their individual ability to pursue grand strategies that are otherwise broadly shaped by their location and relative strength in the international system.

Given that the Asian continent today is synonymous with rapid economic growth, it is no surprise that several of the chapters in this volume describe the management of economic change as being one of the central issues of domestic politics. This certainly is the case for the three major Asian actors: China, India, and Russia—though the challenges posed to each of these states differ considerably.

Kenneth Lieberthal's study of China represents the clearest explication of the view that domestic politics in China today is fundamentally about sustaining the prevailing high rates of economic growth in order both to recover the great power status that Beijing had enjoyed historically and to avert the domestic political instability that would arise if economic growth were to falter. Because China is, and will likely remain, an authoritarian state for some time to come, the compact between rulers and ruled is ultimately enforced through the coercive power wielded by the former over the latter. The costs of enforcing this compact on a routine basis, however, are lowered considerably by the implicit social contract that exists between the Chinese

Communist Party and the people of China—a contract wherein the population appears to accept the Party’s rule so long as growing personal freedoms and economic prosperity become increasingly available. Because preserving this arrangement requires continued high economic growth, Lieberthal persuasively describes how the Communist Party has liberated provincial and local governments to create what has become an economic juggernaut that even the central government now has difficulty controlling. In order to protect the possibilities for continued economic expansion, Beijing has altered its international diplomacy to “tamp down looming fears of a China threat.” The success of this strategy, however, has sustained an even more vigorous domestic economic dynamism than expected, leading in turn to a trail of new problems such as corruption, individual exploitation, regional disparities, rising inequality, depletion of natural resources, and severe environmental degradation. Although some of these problems have contributed to significant internal unrest in China, this phenomenon does not yet appear to pose an imminent threat to Communist rule. As Lieberthal notes, the still-strong Chinese ruling elite is willing to permit its citizenry to expand their zone of political indifference to pursue personal interests, but will “simply...not tolerate active opposition to the state.” Only time will tell whether continued prosperity will change this dynamic, both at the level of what citizens demand and what the state permits. Until that point, however, China will continue to remain a fascinating example of how the challenges of managing rapid economic growth continue to constitute the central pivot of its domestic politics.

In different ways and in a different context, managing economic growth is also one of the central issues facing domestic politics in Asia’s other emerging power, India. As C. Raja Mohan elaborates, the increased pace of economic growth in India over the last decade has raised India’s standing in the international system considerably and brought the country within reach of realizing its traditional post-independence dream of once again becoming a great power. In that sense, there is a remarkable similarity between the ambitions of India and China: both countries were major powers before the colonial era and both seek to resurrect their traditional greatness once again by exploiting the opportunities offered by market economics and globalization. In India’s case domestic politics plays a crucial role, but in a manner very different from China. Because India is a strong democratic state, all public policies—including those related to economic reform and liberalization—must comport with the test of political acceptability. The fragmentation of India’s political parties after the demise of the “Congress system,” coupled with the presence of a weak national leadership and a defensive political culture, has resulted in a situation where even though

there is a general national conviction that economic reforms must continue, there are sharp divides about the specific policies to be pursued. This contestation is inevitable because all economic reforms create winners and losers, and in a democratic system losers in the economic marketplace will seek to avert, or compensate for, losses through the political market, which regulates the distribution of power. Consequently, what may be most surprising is that India can sustain high double-digit growth rates despite lapsing into its new “Hindu rate of reform.” The Indian case, in Mohan’s analysis, is telling because it illustrates not only how the management of economic processes has become central to domestic politics in yet another critical Asian state, but more importantly also because his conclusion that “even suboptimal outcomes for India’s grand strategy still might be large enough to make a difference to the evolution of the international system” has significant consequences for the future Asian balance of power and for the United States.

Celeste Wallander’s chapter on Russia also highlights the centrality of economic growth and political economy to domestic politics, but in a manner that is quite different from the challenges witnessed in China and India. There are some similarities, to be sure: the Russian renaissance, which has attracted much attention of late, is intimately linked to the economy rebounding in a manner that was unanticipated after the collapse of the Soviet Union. The analogy also has limits, however. True, the production of economic power in China and India is very much driven by national imperatives, which in the latter case are actually ratified by formal consent of the ruled. The Russian objective of securing economic growth appears to be driven, however, by the objective of bolstering a state that consists of a narrow set of corrupt patron-client relationships that involve current or former members of the intelligence services who are umbilically connected to the presidency of Vladimir Putin. Therefore, even though Russia’s governing institutions are intended to be at least formally responsive to its polity, in practice these institutions exist mainly, as Wallander summarizes, to “manage the political, economic, and social system” for an “elite that is not accountable to Russian society.” Both the present resurgence of Russia and the structures of its domestic politics are, therefore, quite fragile: the former is based primarily on energy and raw material exports whose production infrastructure has not been appropriately modernized, while the latter revolves mainly around a corrupt patrimonialism in which patrons and clients continually trade power and wealth and by so doing “capture” the state to serve their own narrow political ends. The general populace appears to countenance these predatory governing arrangements only because the Russian people are objectively better off than they were in the aftermath of

the Soviet collapse and because their expectations of improving economic conditions make them less sensitive to the abuses of “managed democracy.” Wallander summarizes the situation succinctly:

The legitimacy of the political system...is based on what the system provides, not what it is. Should the system fail to produce, the lack of accountability and responsiveness, as well as the pervasive cynicism of Russian citizens about their leaders, may expose the weakness underlying Putin’s supposedly strong state.

Precisely because Moscow continues to possess islands of technological excellence, any significant Russian failures that materialize in the context of rising Chinese power could have significant geostrategic consequences for the region and for the United States.

While this volume depicts managing economic transformation as being the central domestic political issue in at least three great Asian powers, the importance of economic change is witnessed in many of the smaller Asian states as well. In at least three instances in Southeast Asia—in Indonesia, Vietnam, and Singapore—positive economic developments remain critical to the management of domestic politics. In Indonesia, in particular, as Donald Weatherbee describes in his regional study of several key Southeast Asian states, improved economic performance has intersected virtuously with reform of domestic governance. The traditional arrangements between rulers and ruled in Indonesia—the most important state in Southeast Asia—are undergoing dramatic changes for the better. As Weatherbee succinctly states, “Indonesia stands out as a democratic success in Southeast Asia.” In a region where authoritarian regimes are legion and military authoritarianism is not uncommon, Indonesia—with its large Muslim population, critical geographic location, and the locus of traditional regional leadership—seems to be redefining itself as a “normal developing democracy with a vibrant and free civil society,...an elected parliament,... a reform agenda,...[and] a civil-military culture in transition.” Though these developments have no doubt been aided by external assistance, the domestic civilian leadership of President Susilo Bambang Yudhoyono has been the most important factor insofar as his reform agenda has helped the country achieve its targeted growth rates after many years of languishing in an economic morass. Although domestic transformations of the sort visible in Indonesia are not comparably evident in Vietnam, Hanoi has done even better than Jakarta in terms of economic performance. By rapidly expanding trade with the United States and others, Vietnam has chalked up dramatic improvements in economic performance that enable the country to both balance China successfully and maintain authoritarian structures of domestic rule. Whether continued high rates of economic growth will

lead to political liberalization in Vietnam is uncertain, but this case—like others discussed above—exemplifies the centrality of economic factors to domestic politics in many Asian states.

While these examples illustrate why Asia continues to remain the home of economic miracles, the sheer diversity of the continent creates room for drivers other than economics. Interestingly, internal political transformations dominate domestic politics in the largest Asian economy today, Japan. This phenomenon appears ironic given that for many decades Tokyo exemplified the proposition that “all politics was economics by other means.” The fact that institutional political change is now the most prominent element of Japanese politics highlights two important realities. The first is that Japan has convincingly pulled itself out of the economic doldrums of the past decade and is slowly moving toward accommodating the kinds of structural changes that most Japanese have long recognized as overdue. The second is that amidst all the hyperbole about a rising China, Japan still remains the world’s second largest economy and the most important center of technical innovation in Asia. As such, the country is confronted by all the problems associated with mature economies, including in Japan’s case, unfavorable demographics. Although these problems will require careful tending, the Japanese economy today does not need dramatic external interventions any more to sustain its long-term viability and performance.

These two facts taken together imply that questions concerning the structure of Japan’s governing institutions, the nature of its political regime, and its long-term international profile and interests can once again take center stage in its domestic politics. As Mike Mochizuki’s superb chapter on Japan’s “long transition” in this volume indicates, these issues appear to be precisely the ones that dominate Japanese domestic politics today. Mochizuki demonstrates persuasively how Japan’s desire to gradually assume the status of a normal country is reflected in its domestic political transformations—the slow consolidation of a two-party system involving the Liberal Democratic Party (LDP) and the Democratic Party of Japan (DPJ) and the increasing power accruing to the Prime Minister and the Cabinet Secretariat where policymaking is concerned (in contrast to the old dispensation, which favored strong personalities drawing their strength from party politics and backroom deals). The all-powerful Japanese bureaucracy has been reformed in this context to become more responsive to the political leadership. In a new sign suggesting that the compact between rulers and ruled is being subtly redefined in the direction of greater sensitivity to the latter, the social bases of the political power of the major political parties is changing, even as the government itself is being compelled to take public sentiments into account when formulating public

policies. These multiple transformations are leading inexorably to new efforts to redefine Japan's security approaches in Asia, which as Mochizuki points out implicate "values, national security, economics, and international order." His chapter provides a rich and fascinating analysis of the debates occurring in Japan on each of these issues but warns, in contrast to more breathless exclamations of imminent and revolutionary change, that Japan's transformations in national strategy will be slow and incremental, though generally convergent with U.S. interests.

Japan provides a good example of how the classic issues of domestic politics—the relations between rulers and ruled and the desires of rulers to enhance the external security environment in order to both advance the nation's interests abroad and their own power at home—are well and alive in Asia. The same also hold true, again in different ways, in the Korean peninsula as well. Samuel Kim's essay on domestic politics in North and South Korea explicates the thesis that "domestic factors [in both countries] are more determinative in the formulation of...grand strategy, whereas external factors take precedence in determining the successful outcomes of [these] grand strategy enactments." That this would be true in the case of North Korea is not hard to discern. In fact, it would not be an exaggeration to say that almost every state policy in Pyongyang is driven by one central consideration: protecting the survival of the rulers against both their external circumstances and their masses internally. In North Korea, more than in any other nation on earth, the interests of the state are identical to the interests of its deified tyrant. Kim aptly describes the Democratic People's Republic of Korea as a "relatively simple mono-organizational system with a low degree of institutionalization, where the boundaries among state, system, and regime have become blurred and overlapping—if not completely erased. The North Korean state is and becomes synonymous with the North Korean system as a whole." Domestic politics in such an environment essentially revolves around the bargains that the supreme leader strikes with the coercive apparatus that maintains their common power, with all other developments—whether political extortion abroad or economic "reforms" internally—orienting the country toward the achievement of "tangible concessions necessary for system maintenance and survival."

The contrasting South Korean example represents, in Kim's analysis, a remarkable tale of how genuine internal political transformations, especially the ever-strengthening consolidation of civil rule in the face of the past legacy of military domination, intersect with the success of Seoul's economy. This economic miracle was brought about by globalization and its desire to achieve a certain measure of strategic autonomy, given that it is surrounded by major powers such as China, Japan, Russia, and metaphorically, the



United States. Kim's illuminating analysis of the domestic currents in South Korean politics demonstrates that the continuing strengthening of democracy, which is by no means complete, has already changed the security *gestalt* in the peninsula. These changes have in turn driven Seoul toward affirming notions of mutual security and security multilateralism, at least as supplements to the older instruments of tight military alliances. The developments have also resulted in a deepening of civil society which, because of its early role in the restoration of democracy, has been further empowered to influence diverse areas such as the advancement of human rights, environmental protection, the rule of law, and even the terms of the U.S.-ROK security alliance. This process has resurrected various kinds of anti-American sentiments, though the depth and durability of these feelings is a matter of some debate. The churning of South Korean domestic politics finds expression in Seoul's concerted effort to construct a new grand strategy based on the conscious exploitation of globalization to further enhance South Korean national power. As Kim describes, this effort at reconstructing grand strategy integrates different actors—such as politicians, policymakers, business entrepreneurs, academicians, and journalists—in support of a comprehensive vision that embraces political, economic, cultural, and social dimensions. Only time will tell whether this vision will be realized in its most expansive forms. In the meantime, however, South Korea represents a good example of how internal changes in regard to the distribution of power have a direct impact not only on how grand strategy is formulated but also the substantive content of the strategy, to include efforts at reshaping the larger structure of strategic relations in and around the Korean peninsula.

Managing economic transformations constitutes the major challenge of domestic politics and grand strategy in one set of Asian states; successfully completing internal institutional transformation represents another type of challenge in some other Asian states. The issue of building institutions anew or arresting the decay of political frameworks already in existence then appears to form the third category of contemporary experience in Asia. A good example of the former phenomenon is domestic politics in Central Asia, especially in Uzbekistan and Kazakhstan, which are the focus of Svante Cornell's chapter in this volume. As Cornell frames the issue, the core problem in both these countries is "institutional weakness" deriving from "the immense economic and social problems that accompanied the transition from Soviet rule." This should not be surprising, he notes, because "no state, emirate, or principality had ever existed [historically] with the name, or roughly the same borders, of the current five post-Soviet Central Asian states." Given this fact, the formal institutions of authority that

currently exist do not adequately reflect the true structures of power, which are a complex mixture of authoritarian or semi-authoritarian rulership connected to, or drawing sustenance from, various sub-statal “solidarity groups” organized around kinship, regional, or economic oligarchies. In such an environment, the core political challenge faced by the rulers is to sustain a “minimum winning coalition” that includes key power-producing groups such as the security forces and the revenue-producing resource base. With such foundations, each of the Central Asian states has had to cope with multiple strategic problems: consolidating a precarious national identity, protecting national autonomy in the face of larger and more capable neighbors from outside the region, warding off internal threats to rule, and protecting themselves against the formal resuscitation of old ideologies like communism and new ideological threats like resurgent Islam. Against this backdrop, Cornell explores why a state like Kazakhstan has turned out to be more successful than Uzbekistan. This outcome appears to be conditioned less by the presence or absence of natural energy resources and more by the Kazakh ability to reform the national economy better than the Uzbeks, a fact that is intimately linked in the latter case to the character of its state-society relations. The fact that Uzbekistan also has a problem with radical Islamist groups and shares a border with a still-unstable Afghanistan has not helped, thus leading to Cornell’s unsettling conclusion that Uzbekistan appears to be “increasingly unstable—a development that holds important consequences for the region.”

The problems of institutional inadequacy which are endemic to Central Asia also find reflection in two major South Asian states, Pakistan and Bangladesh, albeit for different reasons. As Frédéric Grare’s dispiriting analysis indicates, both these South Asian states, which are intertwined by a long and painful history, now seem to be headed toward an unintended convergence, thanks to the progressive decimation of the political institutions in place since their founding. In both cases, the respective armies of the two countries carry the lion’s share of the blame. The weaknesses of the political parties and successive civilian governments in both states has opened the door not only for the success of radical Islamist groups, which are now more prominent than ever, but also for various transient civil-military dalliances pursued by the former in order to secure their own narrow political goals. The armies in both countries have thus become the pivotal political institutions and are viewed, ironically, as the last bastions of stability—a view that they themselves are no doubt eager to promote but that, more problematically, has the effect of actually corroding stability to the degree that it becomes entrenched as the received wisdom in the minds of both the native populations in these countries and their

international partners. As Grare points out in his analysis, the deepening centrality of the military in the political life of both countries is causally related to the rise of Islamist terrorist groups in South Asia: in Pakistan, these groups have become convenient instruments for the ongoing geopolitical struggles with India, and in Bangladesh, these groups serve both the army's interests in controlling the civilian political parties as well as harassing India. As Grare concludes, the upshot of these destabilizing evolutions is that "if complacency or complicity of the Bangladeshi and Pakistani elites continues, both countries risk allowing a tiny minority—those identifying political Islam as their primary political identity—to ultimately determine both the bilateral relationship and the stability of the region." For the United States, which is actively involved in prosecuting a difficult war against al Qaeda in South Asia, this conclusion merits careful reflection.

Domestic problems caused by institutional decay are obviously not peculiar to South Asia. In Southeast Asia, as Donald Weatherbee recounts, two historical U.S. allies—the Philippines and Thailand—owe many of their current internal problems to crises of legitimacy and failures of civil-military relations. Despite strong U.S. support to the Philippines in the war on terrorism, the post-Marcos structures of governance have proven to be considerably infirm, with issues of corruption, politically motivated efforts at constitutional revision, and fragile civil-military relations still undermining political stability. In Thailand, the man on horseback has returned again. Discontent with a popular civilian prime minister, whose social basis of support was drawn from marginalized and hitherto unrepresented sections of the ruled (i.e., rural Thais) led the traditional social and political elites (i.e., bureaucrats, military, royalists, and academics) "who tended to view their power in the country's governance as an entitlement rather than as a democratic reward," to acquiesce to a coup that has decisively threatened not only previous Thai progress in civil-military relations but also security relations with the United States.

When viewed synoptically, therefore, the country and regional studies in this volume provide a complex picture of the domestic changes that are currently occurring in key regions or states in Asia across at least three broad dimensions: management of economic growth, transformation of political institutions, and politico-social deinstitutionalization and decay. Each of these drivers then affect the strategic behaviors of the countries involved in consequential ways, and each of the chapters explores this reality with a view to understanding the impact on the United States.

Continuing a tradition begun in previous Strategic Asia volumes, this edition also includes three special studies on different issues of contemporary relevance. The first by Shahram Chubin on Iran focuses on

exploring how domestic political factors affect Tehran's strategic choices with respect to pursuing nuclear capabilities. On the fundamental issue of whether Iran's nuclear ambitions are driven by internal forces or by the external environment, Chubin forthrightly declares that "Iran's quest for a nuclear capability is the product of domestic politics and the demands of revolutionary legitimacy rather than a strategic imperative." Equally importantly, however, he argues that the nuclear program has become a touchstone for two radically opposed domestic visions of Iran's strategic direction. All sides in the debate do appear to agree that Iran cannot surrender its sovereign right to acquire various nuclear competencies, which in a sense justifies the claim to the existence of a broad "national consensus" on the issue. One group within the domestic debate, however, views the nuclear issue primarily as leverage "to regularize Iran's relations with the world, [to include] embracing globalization and domestic reform." The opposing group, on the other hand, views the nuclear program as providing strategic capabilities that would immunize Iran against any countervailing power that may be brought against it, as Tehran continues to prosecute its revolutionary anti-Western agenda. The presence of such diametrically opposed social forces once again illustrates the importance of integrating domestic politics into the explanation of international political outcomes and as a policy matter in this instance in particular, leads Chubin to wonder whether there is any room for compromise short of permitting Iran to acquire full mastery of the nuclear fuel cycle.

The second special study, by Nick Bisley, addresses an issue that has received particular attention in the second term of the Bush administration, namely whether the United States should invest attention and resources in constructing an overarching regional security architecture in Asia as a means of sustaining stability over the long term. Noting the entrenched mistrust and suspicions that pervade many dyadic relationships and organizations in Asia, Bisley admits that the current "alphabet soup" of bilateral and multilateral regional institutions has not substantively mitigated the current security anxieties in the region. In part, this failure has come about because security organizations in Asia, unlike those in Europe, are neither overarching nor products of a common history, common values, and a common valuation of current and prospective threats. Despite these realities, Bisley argues that a security architecture—defined as a "reasonably coherent association of international institutions, dialogue forums, and other mechanisms that collectively work to secure a defined geopolitical space"—is worth considering from the viewpoint of the United States for two reasons. The first is that there appears to be in Asia a growing demand for some kind of multilateral institution, perhaps even one created by a

restructuring of some existing body, if for no other reason than confidence building. The second is that a multilateral institution would enable the United States to better cope with the emerging collective action problems related to public health, the environment, and climate change and, as such, would not replace but supplement its existing bilateral alliances in Asia, at least in the near term. Whether U.S. policymakers agree with Bisley's recommendations or not, his analysis deserves careful consideration and certainly warrants a deep assessment of whether the benefits of creating a continent-wide security framework are worthwhile compared to their costs. His essay, therefore, ought to become important source material as policymakers ponder their next steps on this issue.

The third and final special study in this year's edition of *Strategic Asia* is Lorraine Elliott's illuminating essay on environmental degradation and its impact on security in Asia. The question of environmental health globally is a subject of acute contemporary interest, receiving great attention in important international fora, including the United Nations (which recently had its first ever debate on global warming in the Security Council) and even in traditional security documents like the U.S. National Security Strategy. While almost everyone agrees on the importance of protecting the environment as a question of planetary survival, the debate usually falters when its connections with the national security of specific states (or regions) are at issue. Elliott's paper makes a sterling contribution to this question in two specific ways. First, the chapter carefully surveys the types of environmental problems that challenge the Asian region as a whole by going beyond the issues of climate change to a more diverse and complex cluster of crises involving pollution, resource depletion, agrochemical abuse, deforestation, groundwater depletion, and the like. Second, her analysis anchors these issues in a defensible notion of environmental security that, although non-realist in orientation, provides a useful framework that explains how "environmental degradation could be a factor in social stress, communal violence, and political disaffection and instability," even if such degradation does not always provoke actual interstate conflict. In detailing how various Asian states have responded to these problems, Elliott makes a cogent case for a broader U.S. response than has been evident thus far. She argues that current trends in regards to environmental security in Asia are likely to undermine the U.S. security vision for the region "by making vulnerable the stability of political relationships between and among countries, by exacerbating social grievances and human insecurities within countries, and by the impact on economic development, trade, and resource security." Elliott thus urges the United States, first, to view itself in the Asian context "as a collaborative partner rather than pursuing its own policy

interests” and, second and more generally, “to reduce the U.S. contribution to environmental degradation with global reach” as a means of contributing to regional stability.

## Conclusion

When the chapters in this volume are read synoptically, it becomes quite apparent that the issues of internal change and domestic politics deeply condition the choices of states as expressed through their international behaviors. Put differently, while the issues of anarchy and the distribution of power shape the systemic context within which these behaviors are expressed, there is a pressing argument that these structural constraints ought to be conceived merely as one of many variables that account for how states behave in international politics. Thus, the chapters provide further evidence for reconceptualizing international relations theory, including neorealist theories, in the direction that takes them closer to their classical realist predecessors.

Beyond the issues of reframing theory, however, all the chapters that follow flag important issues that will be of great concern to policymakers. Whether considered separately or together, these issues will indeed shape the future not only of the Asian region but also of the stability of the international system and, hence, merit careful and continued scrutiny. These issues include:

- China: Will the current patterns of domestic political economy described by Lieberthal result in an unsustainable pattern of economic growth over the long term or in unmanageable demands for political change that threaten the success of the Chinese economy?
- India: Will the currently fractured features of Indian domestic politics described by Mohan prevent the Indian state from realizing its geopolitical ambitions either because of continued internal incoherence or because the distributionist impulses of populist politics trump the imperatives of growth?
- Russia: Will the rentier ethos of Russia’s current governing regime described by Wallander prevent the country’s successful resurgence as a great power over the long-term or could it precipitate a collapse that threatens regional stability?

- Southeast Asia: Will the steady Indonesian domestic consolidation described by Weatherbee propel it once again to a position of effective leadership of Southeast Asia? Will the continuing transformations in Vietnam move it toward increasing tacit strategic coordination with the United States?
- Japan: Will the internal changes in Japanese domestic politics described by Mochizuki continue inexorably along to the point where Japan genuinely becomes a “normal” country and accepts the strategic burdens usually accepted reciprocally by other American alliance partners?
- North and South Korea: Will the strengthening of South Korean civil society as described by Kim successfully lead to the increased autonomy sought by South Korean elites and a productive strengthening of the U.S.-ROK security alliance? Will the North Korean survival strategy be successful and if not, what are the alternatives and their impact on regional security?
- Central Asia: Will the Central Asian states be able to protect their security, autonomy, and resources, despite the pervasive state weakness described by Cornell, if their major regional neighbors—Russia, China, and India—alter their current national strategies toward the region?
- Pakistan and Bangladesh: Will Pakistan be able to transform itself into a successful state and effectively contribute toward defeating international terrorism if the infirmities described by Grare continue to afflict the body politic? Will Bangladesh become a new hub of international extremism and a new example of state failure in South Asia?
- Iran: Which faction in the internal Iranian political struggle identified by Chubin—i.e., the conservative revolutionaries or the progressive internationalists—will finally come out ahead in the current struggle for power and what can the West do to strengthen the latter in this fight? Furthermore, assuming that the West can in fact play a significant role, would its contributions have a quick enough impact to deflect Tehran’s course before Iran acquires mastery of the enrichment process?
- Asia’s security architectures: Will the enhanced production of public goods that Bisley identifies as being the key benefit of creating an Asian security architecture be deemed worth the private costs accruing to the United States as Washington contemplates its future involvement in the Asian continent?

- Asia's environment: Can the Asian states—whether individually or collectively (with or without U.S. cooperation)—find ways of stemming the environmental degradation that threatens to undermine the continent's otherwise impressive economic performance?

Understanding these issues in their multifarious consequences will undoubtedly occupy U.S. policymakers for years to come. These questions ought to provoke consideration by international relations theorists as well.