

THE Williamsburg CONFERENCE

Siem Reap, Cambodia
March 21–24, 2005



Asia
Society



THE Williamsburg C O N F E R E N C E

Siem Reap, Cambodia
March 21 – 24, 2005



Founded in 1956 by John D. Rockefeller 3rd, the Asia Society is an international, nonprofit organization dedicated to strengthening relationships and deepening understanding among the peoples of Asia and the United States. The Asia Society presents a wide range of public programs, including major arts exhibitions, performances, lectures, international conferences, and K-12 educational initiatives about Asia. Headquartered in New York City, the organization has regional centers in the U.S. in Houston, Los Angeles, San Francisco and Washington, D.C. Regional centers in Asia include Hong Kong, Manila, Melbourne, and Shanghai.

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Contents

AGENDA	4
FOREWORD	9
SESSION ONE • After the Tsunami: Critical Concerns Moving Forward	
Critical Issues	11
Post-Tsunami Opportunities	13
SESSION TWO	
The Future of ASEAN and Its Relationship with The Rest of Asia	
ASEAN's Growing Self-Confidence	16
Challenges to Regional Cooperation	17
“A Union of Our Own”: Toward an East Asian Community	20
SESSION THREE • President Bush's Second Term: U.S. Asia Policy	
The Next Four Years	23
The State of U.S. Relations in Asia	25
Asia's Views on U.S. Policy	31
SESSION FOUR (Part I) • Public Health and Social Issues	
AIDS in Asia: An Update	33
Human Trafficking	35
SESSION FOUR (Part II) • United Nations Reform	
Proposed Reforms: Major Issues	37
Next Steps for Ratification	38
SESSION FIVE • China, India, and Japan: Driving Asia's Economy	
China: The New Economic Reality	39
India: An Emerging Power	41
Japan: Recovery at Last?	42
East Asian Community	42
SESSION SIX • Future Scenarios for Asia: Five Years, Ten Years	
Scenario Drivers	44
Scenarios	47
Responses to the Proposed Trends and Scenarios	49
PARTICIPANTS	50

Agenda

The 33rd Williamsburg Conference was held in Siem Reap, Cambodia, from March 21 to 24, 2005. The conference, hosted by the Asia Society and the Cambodian Institute for Cooperation and Peace, was convened by Carla A. Hills of the United States, Tommy T. B. Koh of Singapore, and Yoshio Okawara of Japan in Minoru Murofushi's absence.

Monday, March 21, 2005

Opening Reception and Dinner

Hosted by His Royal Highness Samdech Norodom Sirivudh

Deputy Prime Minister, Co-Minister of the Interior;

Chairman, Board of Directors, Cambodian Institute for Cooperation and Peace (CICP)

Tuesday, March 22, 2005

Opening Ceremony

Keynote Address by Samdech Hun Sen

Prime Minister, Kingdom of Cambodia

SESSION ONE:

After the Tsunami: Critical Concerns Moving Forward

Chair: Vishakha N. Desai, President, Asia Society

- Three months after the crisis, what are the areas of greatest concern and need as countries in South and Southeast Asia move forward in the rebuilding and reconstruction phase?
- How has the disaster created opportunities for improved relations in the Indian

Ocean community? In the region? With the United States? With regard to indigenous conflicts?

- What has been the impact of the disaster on how countries in the region view the United States? India? China? Japan? Western countries?

Presenters

Carol Bellamy, Executive Director, UNICEF

Emil Salim, Association of Community Empowerment, Indonesia

Michael Vatikiotis, Regional Representative, Henry Dunant Centre for Humanitarian Dialogue

SESSION TWO:

The Future of ASEAN and Its Relationship with the Rest of Asia

Chair: Tommy T. B. Koh, Ambassador-at-Large, Ministry of Foreign Affairs

- What are the challenges and prospects faced by Cambodia in its efforts to build its economy, to build democratic institutions and good governance, and to achieve equity and social justice? How can Cambodia balance its quest for national reconciliation with the international community's demand for justice for the victims of the Khmer Rouge?
- What is the current situation of Islam in Southeast Asia? What is the role (if any) of Islam in the conflicts in the southern Philippines, southern Thailand, and the bombings in Indonesia? Who is winning the battle for the soul of Islam in Southeast Asia?
- New leaders have taken power in Malaysia, Singapore, and Indonesia. What is the impact of these leadership changes on their respective countries and on ASEAN as a whole? What is ASEAN's vision for the future?
- What efforts are Cambodia, Laos, Vietnam, and other countries in the region undertaking to accelerate economic development in the Mekong region? How are they working together to create a shared network of transport, electricity, trade, tourism, human resource training, and health care that will allow for sustainable development?
- What is the state of relations between ASEAN and China, Japan, Korea, India, Australia, and New Zealand?

Presenters

Ong Keng Yong, Secretary-General, Association of Southeast Asian Nations (ASEAN)

Zainul Abidin Rasheed, Minister of State for Foreign Affairs; Mayor, North East CDC, Ministry of Foreign Affairs

Kevin Rudd, Shadow Minister for Foreign Affairs; House Representative for Griffith, Queensland, House of Representatives, Parliament

His Royal Highness Samdech Norodom Sirivudh, Deputy Prime Minister, Co-Minister of the Interior; Chairman, Board of Directors, CICP

Wednesday, March 23, 2005

SESSION THREE: President Bush's Second Term: U.S. Asia Policy

Chair: Carla A. Hills, Chairman and Chief Executive Officer, Hills & Company

- How will the Bush Administration in the next four years order its priorities in Asia generally, and more specifically with respect to India, China, Japan, and South Korea?
- How is the administration likely to deal with security concerns with respect to North Korea, Afghanistan, and terrorism in the next four years?
- How does Asia view the global prospects for peace? What actions would Asian leaders recommend to further those prospects both by the United States and by leaders in the region?
- Looking forward, how do we see the likely role of the United States in Asia five years from now? Ten years from now?

Presenters

Lee Hong-Koo, Chairman, Seoul Forum for International Affairs

C. Raja Mohan, Professor, South Asian Studies, School of International Studies, Jawaharlal Nehru University

Norman J. Ornstein, Resident Scholar, American Enterprise Institute

Charles A. Ray, Ambassador of the United States to the Kingdom of Cambodia

Shen Dingli, Professor and Executive Dean, Institute of International Studies, Fudan University

SESSION FOUR: Public Health and Social Issues

Chair: Richard C. Holbrooke, Chairman, Asia Society

- Beyond the impact from the tsunami disaster, what are the region's key social and transnational issues? What is being done to address these areas?
What are the appropriate roles for the private, public, and civil society sectors in addressing these problems?
- Are we winning or losing the war on AIDS in Asia?
- How does HIV/AIDS fit in the context of broader public health challenges, including infectious diseases such as tuberculosis, SARS, and avian flu?
In China? In India?
- Five or ten years from now, will we still be dealing with this same set of issues?

Presenters

Melissa Aratani Kwee, President, The National Committee for
UN Development Fund for Women, UNIFEM Singapore

Nafis I. Sadik, Special Envoy of the United Nations Secretary-General for
HIV/AIDS in Asia and the Pacific; Special Adviser to the United Nations
Secretary-General

Mam Bungheng, Secretary of State, Ministry of Health, Cambodia

Thursday, March 24, 2005

SESSION FIVE: China, India, and Japan: Driving Asia's Economy

Chair: Yoshio Okawara, President, Institute for International Policy Studies

- What impact are China and India having on the way the world does business?
The way the region does business?
- As the world's second largest economy, what is Japan's plan for growth and engagement with the rest of Asia?
- Is the expiration of the MFA having an impact on Asia's economies? What are the specific impacts on India and China?
- What role are regional agreements playing in Asia? Are these arrangements "building blocks" or "stumbling blocks" toward Asian economic integration?
- What factors might inhibit future economic growth in the region? Similarly, what ideas/technologies might spark growth?

Presenters

Akira Kojima, Chairman, Japan Center for Economic Research

Hari Shankar Singhania, President, J.K. Organization

John Thornton, Professor and Director of Global Leadership,
Tsinghua University, Beijing

Yu Xintian, President, Shanghai Institute for International Studies

SESSION SIX: Future Scenarios for Asia: Five years, Ten years

Chair: Vishakha N. Desai, President, Asia Society

- Based on our discussions, what forces will shape the region in the next five years? Ten years? How might these forces interact to produce change? What scenarios can we develop for the region from the interaction of these forces?
- How do our scenarios compare to those found in the recently released Mapping the Global Future, a report of the National Intelligence Council's 2020 Project?

Future Scenarios Developer

Manu Bhaskaran, Partner and Member of the Board, Centennial Group

Foreword

From March 21 to 24, 2005, the Asia Society, in partnership with the Cambodian Institute for Cooperation and Peace (CICP), convened the 33rd Williamsburg Conference in Siem Reap, Cambodia. This year, sixty-one delegates from sixteen countries joined in discussions on some of the most critical policy issues facing the region. From the opening address by Samdech Hun Sen, prime minister of the Royal Kingdom of Cambodia, to the concluding development of future scenarios for Asia, Williamsburg Conference delegates explored a wide range of policy issues. Cambodia offered a particularly inspired setting for this year's discussions. In the shadows of

One issue in particular emerged as a recurring theme in this year's conference: Asian regional cooperation.

Angkor Wat and the expansive ruins of the Khmer Empire, delegates considered the changing fortunes of great powers. Asia's growing perception that America has abdicated its historic leadership in the region was contrasted with the rise of China and India, which many consider the future economic and security leaders in the region. Turning to important social issues, Cambodia's

"killing fields" provided a powerful backdrop for discussions of human trafficking and other rights violations, while the country's recent successes in lowering its rate of new HIV infections informed the debate on vital actions that all governments in Asia must now take to address the growing AIDS crisis.

One issue in particular emerged as a recurring theme in this year's conference: Asian regional cooperation. The growing confidence of the countries in the Association of Southeast Asian Nations (ASEAN) in their efforts to promote regional cooperation gave that issue an urgency in discussions ranging from trade agreements to security concerns and disaster response. The inaugural East Asian Summit, scheduled for December 2006, became a particular focal point of discussions, since many see this as a first step toward a European Union-style integration.

The strength of the Williamsburg Conference has always been its co-conveners: Carla A. Hills, Tommy T. B. Koh, and Minoru "Jack" Murofushi. While Jack was unable to join us in Cambodia due to family illness, our good friend Yoshio Okawara admirably filled in for him. This year, the co-conveners again played a key role by assembling a distinguished group and an agenda that covered many important topics. The discussion was also aided by the other session chair, Richard Holbrooke; future scenarios developer Manu Bhaskaran; and by a distinguished roster of presenters

and delegates. We are especially grateful to Prime Minister Samdech Hun Sen of the Interior and His Royal Highness Samdech Norodom Sirivudh, deputy prime minister and cominister of the Royal Government of Cambodia, and chairman of the Cambodian Institute for Cooperation and Peace, who hosted the opening night dinner and helped set a hospitable tone for the conference.

Specials thanks are due to all who contributed to the successful organization of the conference. The primary conference sponsors, the Lee Foundation and the Starr Foundation, again provided critical underwriting for the proceedings; additional generous support was provided by ITOCHU Corporation, Kansai Electric Power Company, Mitsubishi Corporation, and Tokyo Electric Power Company. Our CICIP partners, under the direction of Chap Sotharith, provided invaluable in-country assistance. The dedicated Asia Society staff also merit congratulations on a very successful event. Hee-Chung Kim and Mike Kulma deserve much credit for their tireless efforts in organizing and coordinating all aspects of the conference. In Siem Reap, they were ably assisted by Elizabeth Lancaster and Todd Galitz, who served as conference rapporteur.

A particular note of gratitude is due to one individual whose leadership has shaped the Williamsburg Conference for many years. After ten years of service, Tommy T. B. Koh announced that the 33rd Williamsburg Conference is his last as an official co-convenor, though he may be willing to consider a brief extension in that role. Tommy's guiding hand in shaping the conference will be greatly missed, but his continued participation as a "civilian" delegate will guarantee that Williamsburg will continue to benefit from his invaluable insights.

Vishakha N. Desai
President

Robert W. Radtke
Senior Vice President for Programs

After the Tsunami: Critical Concerns Moving Forward

The powerful tsunami that struck countries surrounding the Indian Ocean on December 26, 2004, devastated communities in Indonesia, Thailand, Malaysia, Sri Lanka, India, the Maldives, Myanmar, Bangladesh, and as far away as East Africa. More than 250,000 perished in the disaster, with the majority of the casualties and the more than 1.1 million affected and displaced from Indonesia, Thailand, and Sri Lanka. With the threat of disease an ever present danger to survivors following a natural disaster of this magnitude, the outpouring of charitable contributions for relief aid from every corner of the globe helped to guard against more deaths and further suffering.

As communities in South and Southeast Asia begin the long process of recovery and rebuilding, conference participants offered observations on the critical issues still affecting the area and potential opportunities in the aftermath of the tsunami.

Critical Issues

Impact of the Tsunami

Three months after the tsunami, as governments, international agencies, and affected communities themselves have had the opportunity to assess the effects of the tsunami, several trends have become clear. One overriding effect has been the inordinate impact on the most vulnerable inhabitants in the region, both as a direct result of the tsunami and also from secondary causes in its aftermath. As many as one-third of tsunami casualties were children, while that ratio was even higher in some areas. The early fear that the tsunami would create a generation of orphans has proven unwarranted. In truth, significantly more parents were left searching for their lost children than there were children left parentless. While there were certainly many children who did lose both parents, the strength of traditional extended families and tightly knit communities in many parts of the region has also minimized the need for children to be placed in institutional orphanages. Similarly, fears of the exploitation of children in the immediate aftermath of the tsunami have been significantly minimized by the vigilance of governments in policing illicit activities. A more widespread problem for children in the region has been the loss of community services, most notably schools.

Economic Disparities and Land Rights

Many who have been monitoring the relief and redevelopment efforts in South and Southeast Asia have observed an exacerbation of economic disparities as a result of the tsunami. From the outset, it was clear that poor fishermen's ability to earn a living was substantially impaired when the tsunami waters destroyed their fishing boats, equipment, and homes. These fragile subsistence communities were inordinately affected as a result of their proximity to the shorelines that were pummeled as the Indian Ocean crested over their villages. The reconstruction of livelihoods in the region remains a priority for restoring the vitality of the communities to their fullest.

The issue of land rights has been especially problematic. Developers have for many years been interested in the prime beachfront land where many of the most devastated fishing communities were located. Following the leveling of entire villages by the tsunami, developers quickly laid claim to these lands, many of which had been passed down through families for many generations, but lacked sufficient documentation to secure their property claims. Not only have many families lost their loved ones, their livelihoods, and their houses, but now they are barred from ancestral lands. When reconstruction begins in earnest, it remains unclear in many areas just what will be built, and whether those who lost their homes will be allowed to reconstruct their lives.

Once the rebuilding is in full force, vulnerable populations are still at risk for exploitation. Thailand's reconstruction efforts, for example, will likely employ migrant laborers, and the rights of those individuals will need to be closely monitored in order to safeguard against abuses.

Rebuilding and Recovery

In many areas, the rebuilding effort has already begun and the recovery process is underway, and the respective governments each play the lead role in overseeing the process on the ground. Fishing villages will take time to rebuild, even with support from the governments and the international community; however, it is important that the rebuilding provides better and safer structures. Recovery in some economic sectors is already showing signs of strength. Tourism, an important source of revenue for a number of afflicted areas, has begun to return in Thailand, but nowhere near pre-tsunami levels. Hotel occupancy rates in the popular Thai beach resort of Phuket, for instance, are still only 10 to 15 percent, well below the norm for March. While most expect that the beach resorts of Thailand will fully recover, there are more concerns about Sri Lanka, which was just beginning to attract tourists back to its beaches after several decades of civil war.

Transparency in Relief and Redevelopment

While the support provided by the international community and NGOs has been invaluable, the governments of the affected countries are taking the lead role in the relief and rebuilding effort. With the incredible outpouring of relief and redevelopment support coming from around the globe, it is now important that governments and agencies maintain transparency in accounting for the use of contributed funds. Fears of corruption, particularly in Indonesia, continue to be a major concern to many donor countries. So, it will be especially important for governments and aid agencies alike to remain open and accountable with relief and redevelopment funds, otherwise they will risk squandering the goodwill that has come out of this tragedy—which would certainly have a negative impact on future disaster relief efforts. The United Nations has begun working with PricewaterhouseCoopers on developing a systematic approach to its own financial accountability to donors, and similar systems should be developed to keep NGOs accountable to the public. The Indonesian government has also taken the initiative to develop national and local accounting standards and systems to ensure greater transparency.

With the incredible outpouring of relief and redevelopment support coming from around the globe, it is now important that governments and agencies maintain transparency in accounting for the use of contributed funds.

Post-Tsunami Opportunities

Conflict Resolution

In Indonesia, the prospects for peace in Aceh are now more promising than at any other time in recent memory. While restrictions on aid workers entering the Aceh area in the immediate aftermath of the tsunami initially hampered communication and relief in the region, many conference delegates believed that the eventual reopening of the province to international agencies marked an end to an era of isolation. The opening of Aceh province is now welcomed by many as a significant first step toward ending the violence there. The region that had been closed to outsiders for many years is unlikely to close again, as international pressure on the Indonesian government will help to ensure access.

Some conference delegates suggested that some form of home rule is a likely outcome of the longstanding conflict in Aceh. Local rebel groups now realize that home rule offers the best opportunity for a negotiated settlement, and the

government seems similarly interested in pursuing this option to end the violence. Concessions will be required from both sides, and the peace will remain delicate, with the military being closely watched for signs of corruption. Other conference delegates were more skeptical that the government would be able to offer home rule for Aceh. If the Indonesian government offered home rule to Aceh, they would soon face demands from greater autonomy from other regions, including West Papua. A settlement that included home rule would only open up a greater series of center-periphery conflicts that the government cannot risk. Several delegates also cautioned that the government's handling of economic redevelopment in the affected areas must be handled well in order to ensure a peace settlement. A bad reconstruction with the appearance of government corruption would almost certainly lead to more conflict.

For Sri Lanka, conference delegates expressed similar caution. Peace in the country was fragile before the tsunami, but the Sri Lankans were beginning to rebuild some semblance of normalcy. Financially, the costs of rebuilding and the loss of tourist revenue may hurt Sri Lanka in its efforts to reestablish peace. So, participants were, on the whole, less confident that the tsunami would strengthen the peace in the near term.

U.S. Image in Southeast Asia

Many conference delegates believed that American tsunami relief efforts significantly improved attitudes in the region toward the United States. Over the past few years, U.S. military actions in the Middle East and Central Asia have severely damaged America's reputation in Southeast Asia, particularly in countries with Muslim majorities. To the surprise of many critics, when the U.S. Marines hit the beaches of Indonesia several months ago, it was not another stage in America's counterterrorism campaign, but rather a mission of mercy. The American military came armed with fresh water, heavy equipment, and manpower to assist with emergency relief. Media throughout the region were filled with images of American compassion through the relief effort, providing a counterbalance to widespread pessimism about the perceived abuses of U.S. power. Subsequent visits to the region by former presidents Bill Clinton and George H. W. Bush were also well received, reinforcing the relief assistance's unintended benefit of fostering a more positive impression of the United States. While several conference participants cautioned that a distinction must be made between the responses of government elites and the general populace, the public relations benefit in strengthening diplomatic ties was considered a positive outcome. American assistance in the relief effort following the tsunami is seen to have provided the impetus for better relations between the American and Indonesian governments. The U.S. military efforts were even seen as having an influence on the

response from the Indonesian military, which demonstrated a heroic commitment to the disaster relief effort.

Whether the United States will fully capitalize on its improved image in Southeast Asia remains open to speculation. Through this disaster, many conference delegates suggested that the United States has been given an opportunity to see that it has the capacity to wield “soft power,” which in the long term could be a more effective weapon in the so-called war on terror.

“Coalition of the Capable”: Regional Cooperation

The actions of the Indian government in the immediate aftermath of the tsunami were also closely watched. Despite being one of the countries affected by the tsunami, India quickly proclaimed its intention not to seek outside assistance for its own relief efforts. This was not the first time India has declined assistance from the international community; the government also initially rejected external aid following the Gujarat earthquakes in 2001. However, India’s prompt rejection of international assistance following the tsunami provoked considerable reaction from Europe and the West, where the response was interpreted as posturing. For Indians, this negative response to a simple statement of self-reliance was difficult to understand. Many in South Asia understood that the Western reaction stemmed from the assumption that India was dependent on Western aid, and the underlying belief that Indians simply did not understand “their place.”

Still, several conference delegates saw a deeper significance to India’s actions following the tsunami. In contrast with past incidents, when the country acted only to safeguard its own interests, India took the initiative to involve itself in the “coalition of the capable”—being part of the initial, informal coalition that included the United States and Japan in leading the relief effort throughout the region. Several conference participants suggested that this response could mark the beginning of a new role for India, which is establishing itself as a regional leader.

Australia and Singapore also gained considerable respect through their involvement in providing tsunami relief. Singapore, in particular, has often been criticized by its neighbors for any military development it has undertaken in recent years. Its involvement in the relief effort helped to silence critics by demonstrating the usefulness of Singapore’s military to the rest of the region.

While conference participants lauded the efforts of a few “capable” states, several delegates expressed a desire to see multilateral institutions playing a larger role in future disasters in Southeast Asia. A relative lack of strong connections among nongovernmental organizations in individual countries was also seen as a serious shortcoming. ASEAN has begun to develop a proposal for a disaster response effort,

The Future of ASEAN and Its Relationship With The Rest of Asia

Less than a decade ago, economic and political crises throughout Southeast Asia raised questions about the prospects for peace and prosperity in the region. Today, the countries of the Association of Southeast Asian Nations (ASEAN) have bounced back as a force in the development of what some are calling the Asian Century. Through ASEAN, the nations of Southeast Asia are building a powerful cooperative entity through which these smaller states can compete with the emerging giants in the region, China and India.

Can ASEAN maintain its competitive advantages, and even provide the leadership for an integrated and peaceful Asia? Or will the challenges of further integration and the rivalries between neighboring states ultimately curtail the ASEAN project?

ASEAN's Growing Self-Confidence

Most conference delegates noted the growing importance of Southeast Asia in the economic and political developments in the region as one of the most important factors to watch in Asia over the next few years. A growing self-confidence throughout Asia has, in recent years, become a notable hallmark of discussions within the region about its current status and future economic growth in both the near- and long-term. On the economic front, ASEAN was seen as providing a strong framework for the strengthened competitiveness of Southeast Asian countries in both intra-Asian and global trade.

The commitment of the region's political leaders to work through ASEAN was also seen as giving strength to regional decision-making. ASEAN has encouraged the development of stable and effective institutions and raised the bar on government accountability. It has also provided a vehicle for collective action in a number of areas, most notably in managing developments that are by their very nature transnational. Within the past two years, for instance, ASEAN played a positive role in containing the SARS epidemic by offering the region's leaders an opportunity to present a clear, collective voice and action plan for handling the crisis. The growing confidence and institution building within ASEAN has also led to a more proactive engagement of governments with NGOs, offering hope to the prospect of growth in the civil society institutions throughout Southeast Asia.

The increased confidence in the shared interests of nations in the region through ASEAN has also helped to strengthen the standing of some of Southeast Asia's less-developed countries. Like the European Union, ASEAN has increasingly helped to provide a means for the region's weaker economies, such as those of Cambodia, Laos, Myanmar, and Vietnam, to benefit from closer ties and cooperation with their more developed neighbors. While greater attention must be given to bringing less-developed nations into alignment with the others in the region, the fact that this has become a regional project offers reason for optimism in the future development of ASEAN as a cooperative institution.

Challenges to Regional Cooperation

While ASEAN can point to many successes of shared interests among member states, the region still faces many challenges to its development as a politically stable and effective cooperative union. For many in the region, the European Union offers a powerful model for regional cooperation and integration. However, skeptics point out that Asia is significantly more heterogeneous than Europe, which itself took more than fifty years to integrate. Moreover, competing national interests continue to represent a challenge to ASEAN's ability to offer a unified voice for Southeast Asia. In the immediate aftermath of regional successes in managing the recent tsunami relief efforts, for instance, national interest resurfaced in the early discussions of developing a tsunami warning systems, as Thailand and Indonesia offered rival plans for the implementation and oversight of a new system.

Bilateral competition and conflicts between nation-states in Southeast Asia remains the most acute limitation to the development of regional cooperation. Ironically, at the same time that many observers are expressing the greatest confidence in ASEAN's future, bilateral political relationships between some neighboring countries have become tenser. Unresolved boundary and other disputes between Malaysia and its neighbors, Thailand and Indonesia, offer reminders of the fragility of ASEAN.

Some delegates also noted that ASEAN's development remains constrained by the region's leaders' lack of expressed interest in addressing many of their most critical issues. The ultimate effectiveness of ASEAN is questionable if it neglects the more difficult economic questions, such as those now affecting the auto industry. The lack of a greater willingness for ASEAN to play a role in security and conflict resolution also raises questions about its effectiveness. While the potential for ASEAN to serve as a vehicle for ameliorating regional conflict is high, the region's leaders have demonstrated too little interest in developing this aspect of their cooperation.

Others counter that the ASEAN Regional Forum (ARF), if not wholly effective, is an important confidence building mechanism and has the potential to evolve toward preventive diplomacy and, eventually, conflict resolution.

The Myanmar Question

As the scheduled changeover in the ASEAN chairmanship nears, many conference delegates expressed concern over Myanmar's upcoming term in the leadership rotation. Many are ill at ease with the Myanmar chairmanship of ASEAN, which brings to the forefront the region's inability to resolve the myriad human rights and democratic accountability issues which that country's military government represents. While some believe that the recent interparliamentary caucus on Myanmar indicates a commitment in ASEAN to democracy and open society, most delegates were more concerned that the noninterference clause is a possible obstruction to a fundamental improvement of conditions in Myanmar. ASEAN's representatives, however, expressed cautious optimism that the problem would be resolved amicably, "in the ASEAN way," by the Myanmar government offering to skip its turn for the sake of regional harmony.

Cambodia: A Country in Transition

Cambodia offers an interesting case study of both the successes and challenges of ASEAN integration. Delegates from Cambodia and throughout Southeast Asia were largely optimistic about the country's current direction and future prospects. As a small country, Cambodia has much to gain from participation in ASEAN, both in the economic and security spheres. Many point to the success of the Cambodian textile industry, its efforts to address the HIV/AIDS crisis, and a peaceful royal succession as positive developments in the context of its involvement in ASEAN.

Despite these recent successes, Cambodia still faces many domestic problems. While the government has a stated commitment to poverty reduction, the country faces a long-term challenge in raising living standards. Cambodia remains one of the less-developed members of ASEAN, and the effort to bring the country's standards into line with its neighbors' must be actively addressed to achieve continued successes. The government must also make good on its commitment to fight corruption, enact reforms on government agencies and the armed forces, embrace civil society institutions, and tackle critical environment issues in tandem with its development priorities.

The issue of transitional justice, for instance, has not been fully resolved. While the framework for the Khmer tribunal has been ratified by the Cambodian Parliament and reviewed by United Nations secretary-general Kofi Annan, the Cambodian government will not move forward until the 56 million U.S. dollars in estimated

funding needed to conduct those trials is fully committed. Despite the Cambodian government's own funding commitment and additional pledges from Japan and France to provide financial assistance for the proceedings, some suggest that the tribunal will only commence once the international community contributes the remaining 12 million U.S. dollars. Several conference delegates expressed dismay that even after having secured nearly 80 percent of the funds that the unsecured contributions would necessarily deter the country from beginning the transitional justice process. They were also discouraged by some Cambodians' opinion that the Khmer leaders are now so old and ill that the tribunals are unnecessary. Others expressed concern that the government should address the issue of Khmer Rouge atrocities openly, and that younger generations of Cambodians should understand this part of their country's recent history.

Islamic Extremism in Southeast Asia

Beyond conflict between nation-states in the region, some conference delegates also identified the rise of religious extremism as a potential challenge to continued regional cooperation. While increasing religious adherence was acknowledged to be a global phenomenon, the nature of growing Islamic religiosity in Southeast Asia was seen by many as an important issue for the region.

On one hand, the dominance of moderate Islam in the region offers the prospect for a global model of tolerant and modern Islam. Muslims in Southeast Asia have historically been remarkably tolerant, and this tradition remains a powerful force in mainstream, moderate Muslim communities throughout the region. On the other hand, more extreme views of Islam have influenced some members of the Muslim community in Southeast Asia. Thailand's problems with Muslims in the south of the country are on the rise. Underground networks of Islamic radicals are not the only concern, as growing extremist factions have also demonstrated an ability and desire to mount political challenges to secular governments. Islamic parties are gaining political influence in many countries, and this development is being closely monitored. Nor are extreme varieties of political Islam merely growing in popularity with socially and economically marginalized populations. Their influence is also on the rise among more affluent Muslims.

Some conference delegates suggested that the rise of extremist Islam will likely become a more divisive problem if not addressed. Moderate Muslim communities are the best hope for combating the influence of extremists. Asia, along with Europe and the United States, must stand firmly behind moderate Islam. The actions of all these players, as well as future developments concerning Palestine and Iraq, will have an influence over the prospects of Islamic extremism in the region.

“A Union of Our Own”: Toward an East Asian Community

Asians have embraced regionalism, and ASEAN is driving the formation of an East Asian Community. ASEAN is convening the inaugural East Asia Summit in December 2005 in Malaysia, and many see this as a logical next step in the process of greater regional integration.

Building Bridges or Fences? The Inclusion-Exclusion Debate

While the plans for the East Asia Summit are well underway, there was a difference of opinion among conference delegates over the unresolved issue of which states should be invited to participate: ASEAN Plus Three or ASEAN Plus Six?

Many saw India as a natural fit for inclusion in the East Asia Summit and any future cooperative arrangement in Asia. In fact, India's participation could help strengthen regional cooperation. India and China together represent one-third of the world's population, and India's global importance in the economic and security spheres is only expected to grow significantly in coming decades. India's engagement with a broad East Asia Summit was seen as another step in charting a new course for the country's alignment away from its historical relationship with Russia. Some expressed concern that India's impulse to participate might be driven in part by a growing frustration with its own South Asian neighbors.

The decision on whether Australia and New Zealand should be included was more contentious. Some delegates argued that they should be included because they are closely linked to the region through geography, history, trade, investment, tourism, education, and membership in several important regional organizations, such as ASEAN Regional Forum, APEC, and Forum for East Asia-Latin America Cooperation (FEALAC). One delegate even said that to exclude them would be an act of racism. Several delegates felt strongly that Australia and New Zealand should not be included in the East Asia Summit, as neither country had sufficient historical or cultural roots to justify their inclusion. They suggested that it was important to explore creating a uniquely “Asian” cooperative model before undertaking a broader regional arrangement. There was a discussion about whether the United States should be invited to the East Asia Summit. The Asians' clear consensus was that the United States could not be invited because it is not part of the geographic region.

Whither APEC: The U.S. Role in the Asia-Pacific

In the context of increasing cooperative agreements being forged in Asia, the question of the U.S. role in Asia elicited varied opinions from conference delegates. Some participants observed the U.S. discomfort with regional efforts such as the East Asia Summit, which America fears will become partnerships that exclude the United States

and its allies. The American government interprets “regional architecture” as a catchphrase for exclusion. To deny the United States a seat at the table, the Americans argue, would be to ignore the important role that America continues to play in the peace and prosperity of the region. The exclusion of the United States from major summits in the region also raises the anxieties of many in the American government, for whom this appears to be a first move toward a strategic realignment away from America.

Far from being banished from Asia, many delegates suggested that it is the U.S. unwillingness to take advantage of opportunities to partner with the region that is marginalizing American influence in the Asia-Pacific. The unwillingness of the United States to capitalize on working with Asian partners is nowhere more obvious than in the evolution of APEC under American leadership. In 1997, America and its allies missed their first golden opportunity by not using APEC as a means to more aggressively assist Asia in reemerging from the economic crisis that gripped the region. Washington also failed to capitalize on considerable goodwill following the terrorist attacks of September 11, 2001, when Southeast Asia and its neighbors were eager to work through APEC to address America’s growing security concerns. Instead, the U.S. government failed to utilize APEC to address their primary policy concerns, preferring instead to engage in unilateral military action. The American insistence upon restricting APEC to a mere annual gathering of Asia-Pacific government leaders with a limited economic agenda left a cooperative vacuum that the Asians themselves have readily filled with ASEAN and its partners. The American abdication of its historic role in the region since World War II, some argue, is the main reason it now feels excluded from regional discussions of consequence to Asia’s future.

Despite many conference delegates acknowledging there is some validity to the assertion that America has made itself dispensable, many others still believed that the United States will continue to play a vital role in the region, whether through APEC, through a future phase of the East Asia’s self-organizing, or simply through the strength of its bilateral relationships. As it has over the past half-century, the United States will continue to be an important partner with East and Southeast Asia in preserving regional peace and promoting increased prosperity as a major strategic and economic partner to many of the countries in the region.

President Bush's Second Term: U.S. Asia Policy

With the reelection of U.S. president George W. Bush in 2004, many in the region are looking for signs of the administration's priorities in Asia over the next four years. The United States has for many decades played an important role in maintaining peace and stability in Asia, but President Bush's counterterrorism priorities and focus on the Middle East have led Asians to raise concerns about the U.S. commitment to its historic role in the Pacific. Potential diplomatic crises in North Korea and Taiwan, increased nationalism in the region, and tensions over energy resources could disrupt the region. Accordingly, U.S. actions in the region will likely influence security in Asia-Pacific.

What policy agenda will drive the Bush administration's relations with India, China, Japan, and South Korea over the next four years? How will personnel changes in the administration alter American policy priorities? How does Asia view American relations in the region, and what are the prospects for maintaining the peace?

The Next Four Years

Bush and the "Second Term Phenomenon"

When first elected in 2000, President Bush demonstrated little interest in establishing his legacy in the area of foreign affairs. However, following the September 11, 2001, terrorist attacks in New York City and Washington, D.C., Bush quickly turned his attention toward an aggressive counterterrorism policy, sending U.S. troops first into Taliban-controlled Afghanistan and next to Iraq under Saddam Hussein.

Upon his reelection in 2004, Bush claimed victory and a vindication of his policy of force in Iraq—if not its execution—with its goal of building a viable Iraqi democracy. While many critics were dismayed by the president's hubris in claiming a mandate in support of his foreign policy vision, some argue that Bush is displaying one of many common characteristics of second-term presidencies.

In assessing prospects for the next four years under Bush, conference delegates evaluated some of the characteristics and challenges that often have defined second-term presidents, and they offered possible outcomes based on these various factors:

1. **Hubris:** Second-term presidencies, freed from the shackles of reelection, are often characterized by a conviction that their political foes are wrong. Bush has shown early signs of this hubris, and has the conviction that his will be a transformational presidency.
2. **Loss of Energy:** The U.S. presidential election campaigns have much in common with running a marathon; the victor is drained of energy.
3. **Paucity of Ideas:** Second-term presidents, having secured the policy gains of their first terms, lack new ideas. Bush's early focus on social security demonstrates a lack of truly "transformational" domestic policy ideas.
4. **Scandal:** Many second-term administrations have been plagued by scandals. The Bush administration has so far steered clear of scandals with any serious potential to hinder his presidency.
5. **Party Divided:** Fellow party members often begin looking toward their own political futures independent of second-term presidents. As the midterm congressional elections near, Bush, too, may face political challenges from within his own party.
6. **Trouble with Ideological Base:** Constituencies that have helped to secure a presidential reelection typically call in their political chips, forcing the incumbent to confront his party's ideological base. As these constituencies often expect prompt action on politically challenging issues, disillusionment quickly sets in. Bush will likely face similar troubles with the more conservative wing of the Republican Party.
7. **United Opposition:** After consecutive terms out of the White House, opposition parties demonstrate single-minded discipline in rallying to reclaim the White House. Only months into Bush's second term, the Democratic opposition is already finding unity in its intensified opposition to the president and the Republicans.
8. **Focus on Foreign Policy:** As a result of all the above challenges, second-term presidents tend to focus on securing a legacy in the international arena. In contrast, Bush believes that the need to address the international terrorist threat in his first term robbed him of the opportunity to promote his domestic agenda earlier. However, as his domestic agenda meets growing opposition, Bush will likely return to international affairs to secure his presidential legacy.

The New Bush Administration on Asia

Changes in the Bush administration's core policy team could have a significant impact on U.S. affairs in Asia. Secretary of State Condoleezza Rice is unlikely to formulate significant new policy directions independently, but will represent a clear voice for President Bush on his policy priorities. In addition to Rice's relative inexperience on

Asia, there is almost nobody close to the president with deep expertise on Asia. With the recent nomination of Paul Wolfowitz to head the World Bank, the administration is now losing the only remaining high-level adviser with significant knowledge on Asia, particularly with respect to Southeast Asia. Therefore, apart from China and such areas of potential crisis as North Korea and Taiwan, Asia is unlikely to be high on the administration's list of foreign policy priorities. Neither is the American Congress likely to demonstrate any sustained interest in Asia—except China—over the next four years. Congressional interest in Asia has always been episodic, coming to the forefront only when regional trouble spots appear to threaten American interests. Its current rage over China's overvalued currency is illustrative of this trend. At this stage, there are no indications that the next four years will offer any important new directions in U.S. policy toward Asia.

The State of U.S. Relations in Asia

China

Over the past four years, the United States and China have developed a good working relationship, and have maintain shared interests in the peace and stability of Asia. The two countries have discovered shared interests on issues such as counterterrorism, and will likely continue to find shared interests of mutual economic benefit. While Washington, particularly Congress, is extremely concerned about currency valuation and its effect on the growing U.S. trade deficit, there are no immediate signs that Beijing will revalue the Yuan, so both countries have a shared interest in the continued economic strength of the other.

Although some delegates believed that Washington would seek to employ a policy of containment in its relations with China, those participants most familiar with U.S. foreign policy denied that there is interest in containment among American policymakers. The economies of the two countries are too intertwined, they argued, and the United States understands that any efforts to contain China would inevitably damage American prosperity.

China's passage in March 2005 of the antisuccession law, authorizing the use of "nonpeaceful" means to prohibit Taiwan's independence, became a center point for conference delegates to discuss diplomacy in the Taiwan Straits. The issue of Taiwan remains the biggest unresolved challenge to U.S.–China relations, but conference delegates were divided over the possibility of direct conflict resulting from these differences. Many believe—or at least hope—that Chinese pragmatism will help to keep the peace. They argued that the antisuccession law was principally a defensive

act, and that China has every intention of acting responsibly regardless of the rhetoric. Others suggested that the stakes are too high for either China or Taiwan to make any moves that would lead to armed conflict. In fact, there have already been significant de facto movements toward greater integration; 5 percent of Taiwanese already live and do business in mainland China. Still, several other conference delegates feared that the possibility of miscalculation on all sides could lead to a conflict that nobody wants. The passage of the antisuccession law has only given further political fodder to the independence platform of Taiwanese president Chen Shui-bian, who himself remains a wild card. A least one delegate was also skeptical that shared economic interests were enough to safeguard peaceful relations, citing significant historical precedents of irrational policy decisions to prove the contrary.

The issue of Taiwan will likely continue to plague Sino-American relations throughout Bush's second term. While both China and the United States have publicly demonstrated a certain degree of success in agreeing to disagree on the definition of "one China policy," it is difficult to forecast just how external factors will shape discussions over the next four years. In fact, Secretary Rice's recent trip to China was substantially marred by her criticism of the antisuccession law, which Chinese officials were not interested in discussing with the United States.

During her trip to Asia, Secretary Rice also raised the other issue that is increasingly causing discomfort between the United States and China, namely

the United States thinks China can "fix" the North Korea issue, and China thinks the United States can resolve the Taiwan issue. Unfortunately, both presumptions are wrong.

negotiations with North Korea. A number of conference delegates believe that the best opportunity for China to strengthen its relationship with both the United States and Japan would be to play a lead role in resolving the North Korean nuclear stalemate. China's participation in the six-party talks has been positive; yet a stronger commitment to lead the negotiations with Pyongyang to a successful conclusion would provide the clearest sign of President Hu Jintao's interest in safeguarding peace in Northeast Asia. Other delegates remained

skeptical of the China's ability to resolve the crisis over North Korea. They suggested that the Bush administration must work harder to achieve a diplomatic resolution by demonstrating a willingness to hold bilateral negotiations within the six-party framework and to offer Kim Jong-il valuable incentives in exchange for abandoning his nuclear program.

In summary, several delegates concluded that the real source of tension between China and the United States is each party's interest in outsourcing its problems for the other to solve: the United States thinks China can "fix" the North Korea issue,

and China thinks the United States can resolve the Taiwan issue. Unfortunately, both presumptions are wrong. Is the insistence on China taking the lead in resolving the North Korea crisis simply setting the bar too high? One delegate suggested that as the likelihood of China resolving the situation on the Korean peninsula was remote, Beijing might improve its standing with the United States and its allies by demonstrating resolve in dealing with Myanmar.

India and South Asia

U.S.–India relations are as strong as they have ever been. One conference delegate estimated that the two countries have concluded more “political business” in the past four years than in the past forty. Washington has accepted India as a responsible nuclear state and has publicly supported its emergence as a global power and partner in international institutions. In terms of policy successes, the Bush administration has even pulled off what once seemed inconceivable: simultaneous good relations with India and Pakistan. In fact, many believe the United States has a role in helping to transform Pakistan into a politically moderate state, which is in the interest of the entire region. While India once maintained its own Monroe Doctrine for South Asia, India now wants the United States involved in the region.

As India’s economic ties to Asia become stronger, many believe it will inevitably become more committed to aligning itself strategically with its neighbors. Such a repositioning may come at the expense of India’s bilateral relationship with the United States. Other issues that could derail strong U.S.–India relations include heightened competition in the high-tech sector and American opposition to India’s much-needed pipeline project with Iran, Afghanistan, and Pakistan.

Japan

Japan remains an important U.S. ally in Asia, and this relationship remains on good footing. It is not surprising, therefore, that Washington has been very supportive of Japan’s newly assertive stance in foreign affairs, which is in keeping with American interests in the Northeast Asia. Over the next few years, some delegates worry that growing tensions between Japan and China could become strained. Long unsettled territorial disputes, the revision of Japan’s constitutional restrictions on military development, and China’s disapproval of Japanese textbooks and its nationalist-driven objections to Japan’s silence on its wartime atrocities are a few hot-button issues that could ignite tense relations between the two countries. Should Sino-Japanese relations deteriorate further in the next few years, many delegates believe that the United States could play a critical role in helping to shape a diplomatic resolution.

Left to right:
H.E. Samdech Hun Sen
(Cambodia), Tommy T. B. Koh
(Singapore), Vishakha N. Desai
(United States), Richard C.
Holbrooke (United States),
H.R.H. Samdech Norodom
Sirivudh (Cambodia),
Ung Hout (Cambodia),
Carla A. Hills (United States)



Participants at the Opening Ceremony

Left to right: Zainul Abidin Rasheed (Singapore),
Yu Xintian (China), and Yuen Pau Woo (Canada)



Left to right: Chap Sotharith (Cambodia),
Ronnie C. Chan (Hong Kong), Chan Heng Chee
(Singapore), Manu Bhaskaran (Singapore),
Arun Mahizhnan (Singapore), and Carol Bellamy
(United States)

Left to right: Yoshio Okawara (Japan), Vishakha N. Desai (United States), Richard C. Holbrooke (United States), Carla A. Hills (United States), and Tommy T. B. Koh (Singapore)



H.E. Samdech Hun Sen (left) and Richard C. Holbrooke (right)



Left to right: U Thet Tun (Myanmar), John Thornton (United States), Simon Tay (Singapore), George S. Tahija (Indonesia), and Frances A. Zwenig (United States)

Korean Peninsula

The Bush administration's policy toward North Korea and South Korea is inseparably linked to one goal: a peaceful and nuclear-free Korean peninsula. In the near term, North Korea poses a great challenge to U.S. efforts to preserve peace in the Northeast Asia. Since 1994, North Korea's interest in developing its nuclear capability has presented a major challenge to the United States and to nations in the region. More recently, however, America's capacity to negotiate a diplomatic solution to the crisis has diminished. Some believe that the American action in the Middle East weakens the credibility of any threat of military intervention in North Korea, thereby undermining the U.S. negotiating position.

Southeast Asia

President Bush's policy priorities in Southeast Asia are still essentially unformulated, which is very much in keeping with America's historical relationship with the

Despite a strong interest in the economic strength and stability of Asia, Washington has an underlying fear that regional groupings are by their very nature designed to be exclusionary.

region. In the past, the United States has always become involved in the region by reacting to events as they arise rather than by design. As a result of this lack of foresight, American actions in the region have generally ended badly. Today, U.S. policy recognizes Southeast Asia's two most strategic values as 1) a footbridge between the two emerging giants, China and India, and 2) a potential front in the counterterrorism campaign. In spite of the limited vision of U.S. policy leaders, many delegates noted significant improvements

in many bilateral relations under the Bush administration. Bush's team is credited with strengthening relations with Singapore and Australia, as well as working toward improvements with Malaysia and Indonesia. In the aftermath of the tsunami, some delegates believed that Indonesia will receive more attention from the Bush administration in its second term.

Intra-Asian Cooperation

The U.S. position on intra-Asian cooperative efforts remains somewhat ambiguous. Despite a strong interest in the economic strength and stability of Asia, Washington has an underlying fear that regional groupings are by their very nature designed to be exclusionary. One delegate identified the inherent paradox: if U.S. policy is conditioned to be bilateral and reactive, how can the American administration become more responsive in dealing with a region that is increasingly organized in terms of multilateral organizations and proactive strategic partnerships?

To many conference delegates, the nomination of John Bolton as U.S. ambassador to the United Nations is an indication that—for at least the next four years—the United States does not see multilateralism as a preferred method for conducting its policy priorities. As long as the Bush administration believes that it can be successful operating bilaterally, it will not see multilateral institutions as a major focal point to policy. From that perspective, it is also difficult for Washington to see the possible development of an East Asian Community as anything but an anti-American alliance. The potential for excluding New Zealand and Australia—important U.S. allies in the region—from this East Asian Community would only confirm the Bush administration's assessment. There are many U.S. officials who are beginning to see Asia as a “cash slot”—a place where the United States is told to insert its money and then go home. In response, some delegates suggested that America should treat the upcoming APEC summit in Pusan as an important opportunity for the United States to make a positive statement about its commitment to working with others in the region to strengthen transpacific relations.

Counterterrorism

Many in Asia, as throughout the rest of the world, are tired of hearing about counterterrorism as America's primary foreign policy concern. However, the inescapable reality is that the “war on terror” is the guiding American policy priority. To some delegates, the real problem is one of public relations: the United States needs to modify its rhetoric, so the issue of combating terrorism is not defined as an American interest irrespective of the national interests of Asian countries. The United States is clearly not the only target for terrorism, so the counterterrorist effort must be positioned more clearly as a global obligation that all nations have a shared interest in joining.

Asia's Views on U.S. Policy

In the context of discussions on specific U.S. policy priorities in the region, conference participants offered Asia's perspectives on America's role in the region. On the whole, delegates were supportive of the important role that the United States has played as a peacekeeper in Asia over the past half century. Despite a clear imbalance of power, the United States has demonstrated considerable restraint and has protected the best interests of the region as a whole. Even in the context of China's peaceful rise and anticipated economic dominance in Asia in coming decades, most delegates still saw a role for the United States to play in their future peace and prosperity.

In fact, the belief that United States needs to demonstrate a stronger commitment to the region was echoed throughout the conference. While accepting that America

does have a future role in Asia, participants expressed concern that the United States seems indifferent to its leadership position and responsibilities in the region. The current administration's absence of policy vision for its relations with Asia is just one piece of Washington's larger lack of interest for its standing in the region. Given the fact that the U.S. budget deficit is largely financed with Asian backing, participants believed that this, if nothing else, should awaken America to its interdependence with Asia.

Some participants suggested that the United States is in considerable need of a public relations makeover as part of a larger effort to improve its image in the region. The United States has clearly been losing the public relations war in many parts of the world, including Asia. Even where its diplomatic relations are currently in good standing, America is still widely misunderstood by the vast majority of the people in the region. The Bush administration should be building upon America's positive exposure in Southeast Asia following the tsunami relief efforts. Capitalizing on this could have an impact on the administration's counterterrorism priorities by extending more popular support in a place like Indonesia, where many still view the United States with great suspicion. Ultimately, however, most delegates believe that a public relations campaign will not address the real underlying issue, namely the need for Washington to give more attention to the needs of its partners in Asia.

Public Health and Social Issues

As the nations of Asia assume increasing leadership and responsibilities on the global stage, the imperative to address looming public health and human security crises has become urgent reality. In fact, the next five to ten years will likely mark important turning points in several of the most critical problems facing the people of Asia. The rate of HIV infection continues to grow at a startling pace in Asia, while new public health concerns such as SARS and avian flu pose dangers on a scale still not fully understood. The potential risks to human welfare are also rising, as crimes such as human trafficking threaten the rights of vulnerable populations throughout Asia.

What are the prospects over the next decade for dealing with Asia's most serious public health and social crises? Is the fight against HIV/AIDS in the region being won or lost? What roles should government, civil society, and the private sector play in addressing the issues affecting the people of Asia?

AIDS in Asia: An Update

The issue of Asia's response to the HIV/AIDS crisis in the region is a topic that was first explored at the Williamsburg Conference two years ago. Its relevance in discussions of critical policy and social issues in Asia has, if anything, grown even more important since 2003 because the crisis has grown considerably more acute. The most recent assessments of the impact of HIV/AIDS in Asia indicate some disturbing trends. More than 8.3 million people throughout Asia are now HIV-positive, with as many as 1 million new cases of infection being added to the total in 2004. By 2010, it is projected that 10 million people in Asia will be newly infected with HIV, and as many as 5 million deaths will result from the disease. Beyond the human toll, the epidemic will also result in a continued financial impact, adding to the loss of 7.3 billion U.S. dollars already attributed to HIV/AIDS. While many countries in Asia have taken an aggressive stance in fighting the spread of HIV/AIDS in their countries, others remain in denial, which will only lead to more suffering.

By 2010, it is projected that 10 million people in Asia will be newly infected with HIV, and as many as 5 million deaths will result from the disease.

China and East Asia

Over the past two years, the steepest increase in the rate of HIV infection has been experienced in East Asia, a rise attributable in large measure to the growing epidemic in China. Evidence suggests that transmission patterns have changed from primarily high-risk groups to the general population—a critical change that will likely affect the rate of infection in China. In the past year, however, China has demonstrated a willingness to address the problem proactively. Vice Premier Wu Yi has shown remarkable leadership on this issue, speaking publicly on the need to implement and enforce aggressive HIV/AIDS policies. The issue is now openly discussed in China, which is an important step after many years of official denial of the crisis. In a country where official press photographs have always been managed as powerful symbolic statements of government priorities, the recent newspaper images of Chinese government leaders with AIDS victims demonstrate just how far the country has come in acknowledging responsibility in fighting the epidemic.

India and South Asia

Infection trends are most troubling in Asia's second most populous nation, India. While India's overall infection rate remains below the critical 1 percent rate—above which the rate of transmission accelerates significantly—the concentration of HIV/AIDS cases in six of its largest states has crossed that dangerous threshold. In fact, the total number of HIV-infected individuals in India has now exceeded South Africa, which previously had the highest number of infected citizens. However, many are concerned that India's government is not yet facing the realities of the problem.

Many point to the Indian government itself as an obstacle to addressing the crisis. As many parts of the country stand on the cusp of a major AIDS epidemic, India's official government agency tasked with formulating the country's AIDS strategy has even issued statements claiming that HIV prevalence is declining in many areas—a claim disputed by independent public health experts and NGOs. There is simply a lack of political leadership on the issue. India's denial of the crisis will certainly hamper efforts to control the spread of AIDS, and the Congress-led government of Prime Minister Manmohan Singh shows little sign of facing the issue any more directly than the former prime minister Atal Bihari Vajpayee and the Bharatiya Janata Party (BJP). Some conference delegates suggested that the only solution to getting HIV/AIDS on the national agenda is to redefine the crisis as a vital security and economic issue.

Southeast Asia and the Pacific Islands

While the large populations of China and India make these countries among the most closely watched by epidemiologists, the rates of infection are also acute in some of the smaller states in Asia. Three countries in Southeast Asia—Cambodia, Papua, and Myanmar—now have HIV prevalence rates above 1 percent of their total populations. Thailand also provides a case study of the need for governments to sustain a vigilant HIV prevention program. Just a few years ago, Thailand was held up as a success story for others to emulate in fighting the spread of HIV/AIDS. However, a lack of sustained political leadership on the effort has resulted in a resurgence of HIV infection in Thailand.

While Cambodia still has the highest prevalence rate in Asia, the rate of new HIV cases has declined significantly in the past few years. The Cambodian government has taken aggressive steps to bring the situation under tight control, paying considerable attention to lowering the rate of infection among prostitutes. The country is making great strides in its efforts, but remains well above the dangerous 1 percent threshold, and the rate of transmission to spouses is still a problem. This has created an additional strain on families and the state, since more than 100,000 children and seniors in Cambodia have been left without financial support as a direct result of AIDS-related deaths throughout the country.

In contrast with declining prevalence rates in Cambodia, Papua has increasing levels of new HIV cases. The challenges of combating HIV/AIDS in such traditional societies as Papua are great. Epidemiological data on prevalence rates are often difficult to ascertain, government response is inadequate, and public education minimal. The government of Papua New Guinea is in denial of the crisis, but international efforts by Australia and others to provide support have also failed. In fact, Western involvement in Papua has even exacerbated the problem, as HIV prevalence rates in mining settlements with sizeable expatriot populations have reached as high as 4 to 5 percent.

Human Trafficking

Human trafficking, the coercive abduction or harboring of human beings for the purpose of exploitation, ranks as the world's third largest illegal business. Considered one of the most urgent human rights issues in the world today, human trafficking disproportionately affects some of the most vulnerable populations, including youths, migrants and displaced people, and the poor. An estimated 700,000 to 1,000,000

individuals are trafficked each year, resulting in more than 7 billion U.S. dollars in profits to those engaged in this illegal human trade.

On an economic level, it is important to recognize the forces driving human trafficking. Economic dislocation and the need for cheap migratory labor are often factors. Financial need often places some individuals at risk. Some, for instance, see prostitution as an opportunity, since sex workers can typically make more money than unskilled laborers. Conference delegates pointed out that it is necessary to see human trafficking not as an isolated problem, but as one aspect of a larger chain of activity. For instance, China's rapid development and need for natural resources has led to heavy investments in logging in Myanmar. The growth of the logging trade in a previously isolated area often leads to an increased demand for the trafficking of prostitutes. In addition to the obvious HIV/AIDS risks from a growing sex trade, the increased human contact with exotic animals in these remote regions poses other public health risks, as evidenced by the recent outbreaks of SARS and avian flu. In addition, deforestation from a growing demand for wood products results in environmental damage. So, any effort to combat a problem like trafficking is best understood in the context of both its causes and larger consequences.

On the political level, it is clear that more appropriate antitrafficking legislation is necessary and greater law enforcement required. Enforcement is often hampered by limited cross-border cooperation on human trafficking cases, so governments and international agencies must give greater attention to the problem. Corruption is also a problem, as some law enforcement officers have even been found to profit from the trafficking business. A much-publicized Japanese police raid on one brothel ended with the law enforcement officers selling the prostitutes to another brothel. The international community must take collective ownership of the problem. Like the drug trade, human trafficking is a business that is supported by large networks of people. It will take a network to fight a network, which means that governments, NGOs, and businesses must all take responsibility for the problem and create effective networks of their own dedicated to addressing this problem.

United Nations Reform

On March 21, 2005, Secretary-General Kofi Annan released a sixty-three-page report recommending the most wide-ranging changes to United Nations since its creation in 1945. The proposed reforms included the expansion of the Security Council, a restructuring a UN Human Rights Commission, and a redefinition of terrorism. In light of the importance of these proposed changes to Asia and the United States, Williamsburg Conference delegates considered the substance of the recommendations and their potential impact.

Proposed Reforms: Major Issues

Security Council Expansion

The secretary-general's proposal offers two possible options for expanding membership in the UN Security Council:

1. The first option recommends expanding the fifteen-member body to include twenty-four seats. In addition to the current ten elected and five permanent veto-bearing members—the United States, China, France, Russia, and the United Kingdom—six other members would be granted permanent status and another three chosen for two-year terms. The most likely candidates to be added to the list of permanent members are Brazil, Germany, India, Japan, Egypt, and either Nigeria or South Africa.
2. An alternative option would create eight new semipermanent members of the Security Council serving four-year terms, while bringing the number of two-year rotating members to eleven.

Conference delegates believed that expanding the Security Council would be the most contentious issue in the proposal. Which countries would have veto power in an enlarged Security Council is unresolved point that will be hotly debated.

Human Rights Commission Restructuring

The recommendations also called for a major restructuring of the UN Human Rights Commission, the Geneva-based body that has been subject to widespread criticism.

Annan's paper proposes replacing the 53-nation Human Rights Commission with a smaller council elected by a two-thirds vote of the 191-member General Assembly, rather than through regional rotation. The changes are intended, in part, to keep nations with records of rights abuses from serving on the commission.

Redefining Terrorism

Secretary-General Annan's report called for a redefinition of terrorism as any act "intended to cause death or serious bodily harm to civilians or noncombatants" aimed at intimidating governments, populations, or international organizations. The effort to revise the UN's definition of terrorism is sought to end justification for acts of national resistance.

Next Steps for Ratification

Secretary-General Annan has called upon member states to act quickly to implement the entire package of recommended changes by the next General Assembly meeting in September 2005. Enacting these major changes will not be easy. Several conference delegates expressed particular concern about the ratification of the reforms in the U.S. Congress. Few doubted that the current Congress would reject the proposed reforms. In fact, with midterm election posturing already beginning, the timing is very detrimental to any significant progress. Many of the issues, especially changes to the Security Council, will inevitably become politicized, so it would be ill advised to bring the recommendations to Capitol Hill this year.

While acknowledging that American acceptance of the reforms was ultimately essential, at least one participant believed that it was too soon to worry about U.S. approval as an obstacle. The process of reform is by its very nature a lengthy one. In 1966–1967, the United States opposed the first expansion of the Security Council. However, once that expansion received the requisite two-thirds majority in the General Assembly, the United States refrained from using its veto to block the measure.

If passage of these recommendations does not take place on the proposed timetable, the new leadership in the United Nations will also have an important role to play in the final negotiations. Conference participants noted that as the next UN secretary-general may be selected from Asia, the responsibility for passing the reforms proposed by Annan might fall to a leader from the region. The newly nominated U.S. ambassador to the United Nations, John Bolton, could also be an important figure in the reform debates.

China, India, and Japan: Driving Asia's Economy

In discussions of the global future, considerable attention has recently been given to the BRICs—Brazil, Russia, India, and China—and the role that these countries will individually and collectively play in shaping the world's economic and political fortunes in the twenty-first century. With two of these rising giants situated in Asia, the effect of these new global powers will almost certainly have implications for others in the region. India and China currently represent a combined 18 percent of the world's GDP, and this rate is projected to rise significantly over the next few decades. China's economy could surpass Germany's in the next three years, Japan's by 2015, and the U.S. economy by 2039. Within thirty years, India's economy could also become larger than any except those of China and the U.S.

What impact are China and India having on the way the world and the region does business? Within this context, what will the reemergence of Japan, currently the world's second largest economy, have on the rest of Asia in the coming years?

China: The New Economic Reality

While China's rising economic importance is a topic that lends itself to hyperbole, few would dare dispute that it will increasingly exert its influence in the global economy. Any attempt to offer a comprehensive analysis will inevitably fall short, as China is so complicated and fast changing. However, conference delegates focused on a few key factors affecting China's economic challenges and opportunities in the coming decades:

1. **Scale of Development:** Over the past twenty-five years, China has experienced growth on an unprecedented scale, with its annual GDP growing 9.3 percent and trade increasing by 12.7 percent. Equally remarkable, this growth rate has lifted an estimated 250 million to 400 million people out of poverty.
2. **Trade Upgrade:** China is no longer solely a manufacturing center, but has also become an assembly hub for East Asia. This upgrade in China's economy will make it more competitive, even in the event of rises in labor costs.
3. **Forecasting China's Future:** It is tempting to forecast a linear development for China. Indeed, China expects to expand its economy three-fold by 2020, and it is projected to become the world's largest economy by 2039.

4. Internal Limitations to Growth: The social and economic challenges that China faces—any combination of which could impair growth—are getting larger and

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more complex. The rate of growth is already leading to increased social stratification, disparities between urban and rural populations, issues of internal immigration, and dire prospects for the future of its health and pension programs as the population ages. China is already facing concerns about meeting its energy and resource needs, as well as about the impact of growth on the environment. The capacity for growth will also be influenced by the government's ability to create a sound

financial system, enact necessary political reforms, and curtail corruption.

5. Execution Risk: Historically, China's best and brightest pursued government careers. With new business opportunities now available, government service no longer offers the most attractive career prospects. With all of its bureaucratic complexities and demands, can the government still manage to transform the system?

6. National Leadership: It is clear that the current Chinese leadership emphasizes the benefits of a harmonious society, which is great for keeping groups of people focused on objectives. However, the current system places less emphasis on management initiative, which is just as important. Both qualities must be executed with great precision and decisiveness, with legitimacy ultimately being conferred by results rather than ideology.

7. Risk Aversion: China's risk aversion will continue to be a problem, as too many decisions are forced up the chain of command, with managers unable to seize opportunities in a timely manner.

8. Corruption: Systematic corruption at all levels poses a challenge to business growth.

9. Political Reforms: Reform of the political system is something that must be addressed to promote accountability, responsiveness, fairness, and openness. The Chinese will undertake these reforms in their own way, of course, and may in the process create a system that is uniquely Chinese.

Despite these challenges and the likelihood that growth will not be linear, those most knowledgeable on this issue continue to offer a single guiding refrain: don't bet against China.

India: An Emerging Power

Along with China, India is one of the countries most closely watched for future directions within Asia. The awakening of this economic giant will have major implications for trade and political relations with countries in the region and around the globe. While many have placed their bets on China as the dominant economy in region, conference delegates considered some of the most important factors that will make India extremely competitive over the next few decades:

1. **Growth Rate:** India's GDP has grown at the very quick pace of nearly 6 percent over the past five years, and it has emerged as the fourth largest economy in the world in terms of purchasing power parity to 3.5 trillion U.S. dollars.
2. **Structural Changes in India's Economy:** India is currently undergoing major changes in its economic structure. From 1990 to 2004, agriculture as a share India's national GDP has declined from 32.2 percent to 20.5 percent. Over the same period, the industrial sector has remained flat at slightly more than 27 percent of GDP, while the service sector (including information technology) has risen from 40.6 percent to 52.4 percent.
3. **Growing Middle Class:** The country's middle class, up to 225 million in 2006, is now growing at a rate of 25–30 million per year. This phenomenal rate of growth will certainly have significant market impact.
4. **Integration with the World Economy:** India has experienced economic gains from increased trade in good and services, which now accounts for more than 30 percent of its annual GDP. While foreign investment has risen to more than 15 billion U.S. dollars, investment by Indian companies has also increased to nearly 2 billion U.S. dollars.
5. **Regional Cooperation:** India's trade with ASEAN and East Asia doubled in the six-year period between 1998 and 2004. In addition to forging formal economic and trade agreements with ASEAN and Bangladesh India Myanmar Sri Lanka Thailand Bhutan Nepal Economic Cooperation (BIMST-EC), India has now completed a bilateral free trade agreement with Thailand.
6. **Intellectual Capital and the Talent Reservoir:** In recent years, India has gained a much-deserved global reputation for the quality of its graduates, particularly in the areas of math, science, and engineering. The strength of this talent pool has helped to establish India as an important hub for knowledge-based industries, such as IT, pharmaceuticals, and biotechnology.
7. **The Demographic Dividend:** Today, more than 60 percent of India's population is between the ages of fifteen and fifty-nine, with a high ratio falling into the youngest cohorts. Relative to the United States, Europe, Japan, and even China, India's population is young and the country has a burgeoning workforce. Indians

currently account for 17 percent of the global workforce, and by 2010 more than 83 million will enter India's labor pool, compared with increases of 56 million in China, 13 million in the United States, and only 100,000 in Europe.

Not all conference participants believed that India's rise would be more easily accomplished than China's. In counterbalance to the positive factors outlined above, India also faces significant challenges. If India's human capital is seen as its competitive advantage, for instance, what effect might its persistent inability to provide adequate health care for the vast majority of the population have on the rate of development? India also continues to face great disparities in the income and educational prospects of its people. What might the impact of these limiting factors have on the pace of India's economic growth, which will almost certainly diverge from a linear path? Some also fear that despite its gains, India is still not fully committed to an open economy, giving China the competitive edge.

Nevertheless, while on the whole the rise of China and India were seen as being positive developments for the rest of Asia, some delegates reserved caution in forecasting widespread benefits to smaller nations in the region. These emerging economic giants can also do harm: "when elephants (or dragons) fight, the grass gets trampled."

Japan: Recovery at Last?

Many in the region welcome Japan's long-overdue recovery. Japan hit a nadir in 1991, just as Russia was experiencing its own implosion and China accelerated its reforms, and is only now showing real signs of improved economic strength. Many have been critical of the government's slow response to carrying out needed economic reforms, and the country still has much work to do in this area. With this in mind, some conference participants wondered how long-lasting Japan's recovery would be, but few were prepared to speculate on the ultimate quality of the recovery.

East Asian Community

In continuation of earlier discussions about ASEAN and the expansion of regional cooperation, conference delegates returned to the issue of the establishment of an East Asian Community. The idea of an East Asian Community is seen to be in keeping with global trends in Europe and North America toward broader economic integration within regions. In recent years, intra-Asian trade has increased substantially, giving further strength to suggestions of creating a more integrated system to maximize the economic benefits for all participants in the region.

In addition to the economic motivations, some delegates also see the movement toward integration as an important vehicle for addressing diplomatic and transnational issues of common concern. Delegates suggested that a more formal East Asian Community would provide a forum for dialogue between states. This was seen as a particularly useful way to promote greater dialogue between China and Japan, a process that has often been difficult to undertake bilaterally. Political benefits might also include the development of security agreements to safeguard regional peace. Equally important, greater integration in Asia would also advance a more effective means of addressing transnational concerns, including natural disaster relief and the containment of epidemics such as SARS and avian flu.

Given the successes of integration in Southeast Asia, many East Asians now look to ASEAN as a prime mover in developing a broader arrangement. Despite the lack of agreement on which countries should be invited to the talks at the upcoming East Asian Summit, enthusiasm is high in the region for this meeting as a crucial first step to the long-term integration project.

Future Scenarios for Asia: Five Years, Ten Years

Over the course of the three-day Williamsburg Conference, several major themes recurred through the discussions, including the prospects for intra-Asian cooperation, the rising economic power of China and India, and the role of the United States in the present and future of the region. In an effort to draw several conclusions from the conference discussions, delegates were asked to consider how various factors would shape the region over the next five to ten years.

With the assistance of a scenario developer, participants were asked to consider a variety of drivers or trends that would influence Asia's future, as well as to react to one baseline and several alternative scenarios:

1. Asian Golden Age: this scenario depicts all factors working in favor of a prosperous and peaceful era for Asia.
2. Truculent Asia: growing nationalism and intense competition in the region are the hallmarks of this alternative scenario.
3. Miracles Reversed: economic growth in Asia proves unsustainable in this scenario.
4. Multiple Shocks: this scenario offers major disruptions on multiple fronts with disastrous effects for most of Asia.

Conference delegates were also asked to assess these scenarios in the context of the recent release of Mapping the Global Future, a report published in December 2004 as part of the National Intelligence Council's 2020 Project.

Scenario Drivers

In developing the scenarios, conference delegates were asked to consider key trends and drivers that might strongly influence the state of affairs in Asia over the next ten years. These included some of the major trends, stress points, and potential uncertainties that should be factored into evaluating future developments in Asia.

Major Trends

In evaluating the various scenarios, careful consideration was given to the major trends the might play influential roles in Asia over the next five to ten years. Demographic change represents a major trend that stands as a largely uncontrollable

force. Population growth has been a factor that China's political leaders have tried to control for a generation. Today, people in China and Japan are enjoying greater longevity than ever before; however, these two countries are also among several in the world that are struggling to pay for the needs of this enlarged cohort of senior citizens while the proportion of working age adults declines. As this burden continues to grow over the next decade, political leaders in these countries must find solutions to this mounting demographic crisis. India, on the other hand, stands in sharp contrast, with its rising cohort of working-age citizens—all potential contributors to a growing and increasingly competitive economy. Still, it remains challenging to predict just what affect these and other demographic trends might have throughout Asia. How, for instance, might migration mitigate or exacerbate these trends? Could unexpected pandemics, such as HIV/AIDS or avian flu-type viruses, quickly reverse population growth in some of the more densely populated areas of Asia? Similarly, might the process of urbanization and rising megacities impact the behavior of large groups of people in unexpected ways?

Beyond demographic trends, conference delegates considered the economic and political changes. The pace of economic growth stands out as a major trend that could influence the region over the next few years. Many economic forecasters project rapid economic growth for China, India, and much of Southeast Asia. However, those who experienced the economic crisis of the late 1990s appreciate the dangers of overly optimistic projections that forecast lineal growth. Similarly, the global political influence that some countries in the region are now enjoying may continue, but these countries are also subject to unforeseen pitfalls. Many observers see India and Japan as logical additions to the UN Security Council in the next few years. How might this new Asian leadership affect global politics? On the other hand, an intensification of competition between states in Southeast Asia could minimize the growing influence of ASEAN in fostering a broader Asian cooperative union.

Finally, identity issues remain an important trend that could affect Asian affairs in the near and long term. Conference delegates pointed to the emerging confidence of Asia as a major factor behind discussions of regional cooperation. Could this growing Asian identity foster a deeper commitment to a future East Asian Community? If so, would a strengthened sense of distinct “Asian-ness” lead to the exclusion of Australia and New Zealand from a cooperative regional union? On the other hand, many observers fear that a reemergence of nationalism in China and Japan could eventually lead to conflict between these two major East Asian powers. What effect might these nationalist sentiments have on the prospects for greater Asian integration? Similarly, to what extent might a strengthened sense of religiosity among Muslims in the region undermine the transnational affinity for

a shared Asian identity? Or, will moderate Islam emerge as a dominant identity for Asian Muslims, setting them apart from their coreligionists in the Middle East?

Stress Points: Where Are the Pressures Building?

In addition to broad trends, conference delegates were asked to consider potential stress points, issues around which short-term changes might affect future directions for the region. The global economy, for instance, is currently characterized by several imbalances such as the current U.S. account deficit, China's overinvestment, and housing bubbles in many economies. At some point there is bound to be a period of dislocation in each of these economies as a result. For instance, one should be wary of straight-line projections of inexorable growth in China, as occasional crises are bound to happen in the course of China's economic emergence. Such disruptions could also be the triggers for other changes, such as political transformations. Will Asia's emerging dominant economies, China and India, become financial hegemonies in the region? How might a growing imbalance between the haves and have-nots in Asia affect regional politics? On the other hand, to what extent would an unanticipated economic meltdown in China severely curtail growth in other economies, such as Vietnam or Cambodia?

The pressures of major political change in one country could also affect the rest of Asia over the next five to ten years. For instance, would the demise of Myanmar's ruling military regime quicken the pace of political integration in ASEAN? Or, what might be the effects of regime change in North Korea? While the fall of Kim Jong-il might ensure a Korean peninsula free of nuclear weapons—and thereby ease the pressures of a broader military build-up in Northeast Asia—the resultant economic pressures of reunification could pose immediate challenges to South Korea's continued growth.

Major Uncertainties

Areas of major uncertainty represent additional potential influences on Asia's future. These factors include domestic political instability and territorial disputes and can upset current balances. Open conflict over China's claims to Taiwan or between India and Pakistan represent two potential geopolitical flashpoints that would unsettle the region. In light of Asia's current rate of industrial and consumer growth, many observers believe the rising demand for energy represents a significant challenge for countries in the region. Could rising energy demands result in price pressures severe enough to impede economic growth in the region? Or, could a mounting energy crisis lead to an intensification of political and economic competition between nation states in Asia? Turning to more positive variables, a quickened pace of regional

economic integration in Asia might prove beneficial to growth in the region over the next decade. If the upcoming East Asian Summit becomes just the first step toward the rapid development of a common currency and the establishment of an East Asian Community, could economic growth exceed current projections?

This list of major uncertainties was not offered as comprehensive, but only as inclusive of some of the most likely factors to influence the direction of affairs through the next decade.

Scenarios

Having examined some important long- and short-term drivers of change, conference delegates turned their attention to the four proposed scenarios.

Asian Golden Age

Conference participants were offered a baseline scenario that envisions Asia entering a “golden age” of growth, prosperity, and harmony. Insofar as the Asian economy is concerned, this scenario incorporates a positive assessment of the benefits of globalization; as this trend continues to expand, Asia is seen as one of the major beneficiaries. In particular, its growing economy is projected as generating growth in jobs that outpaces the rise in working-age population and also delivers income growth for the masses that in turn contributes to political stability. Given the strength of this growth, the Asian region is likely to be resilient to any minor geopolitical shocks or global economic shocks felt along the way; the region’s prosperity is thus not derailed by shock in its geopolitical or economic environment.

Similarly, domestic political pressures within particular Asian states are contained. In particular, this baseline scenario assumes that:

- China’s political transition away from the Communist Party will be relatively smooth; and
- The threat of violent Islamic extremism will peak in the region. It was argued that the nature of Islam in Southeast Asia and India for instance was very different from that in the Middle East and that, in time, Islam in this part of the world will return to its traditional forms that emphasize peaceful coexistence with other communities.

A vital component of the baseline scenario is the view that regional political institutions will develop in strength and that this institutionalization will help maintain political stability despite the many challenges the region will face. Related to this development of domestic political institutions is the assumption in this

scenario that regional political institutions will also develop that help to manage the emergence of new powers such as China and India.

Truculent Asia

In contrast with the Golden Age scenario, an alternative view projects the growth of an ugly form of nationalism burdening Asia. This nationalist tendency leads to rising tensions between nation states in the region, and significantly limits the growth of unified cooperative institutions. China's relationship with others in the region is seen as especially critical, as the more competitive environment leads to greater efforts by some neighboring countries to contain its economic, political, and military growth.

In this scenario, it is also assumed that unexpected financial and/or economic shocks lead to a prolonged slowing of growth. This mediocre economic outlook for the region in turn generates rising unemployment and social tensions that undermine domestic political stability especially in the large, populous economies such as China and Indonesia.

Miracles Reversed

Rapid economic development throughout Asia has become a major trend driving today's global economy, and economic forecasters project that China and India will become dominant players in coming decades. This scenario, however, depicts Asian growth as unsustainable. The excesses in the Chinese economy are seen producing a hard landing—several years of low to negative growth accompanied by major financial turbulence, rising unemployment, a dysfunctional banking system, and a corporate sector that loses its dynamism. This hard landing in China would deprive the rest of Asia of an important growth driver and so cause slower growth throughout Asia. In turn, a sustained economic downturn leads to a sharp decline in Asian confidence in regional cooperation, leading to the shelving of plans for a regional currency and East Asian Union. In the context of a prolonged recession and rising inflation, outbreaks of domestic violence and instability would not be uncommon while conflicts between states in the region would also erupt—for instance over the competing energy needs of Asia's growing populations.

Multiple Shocks

A final scenario envisions multiple stresses and shocks leading to disastrous effects for Asia. A messy collapse of North Korea leads to chaos on the Korean peninsula. Meanwhile, as China confronts a domestic political crisis, the collapse of the U.S. dollar following a prolonged recession leads to economic instability throughout Asia.

Responses to the Proposed Trends and Scenarios

Conference participants overwhelmingly believed that the Asian Golden Age scenario best depicts the region's prospects over the next five to ten years. In fact, more than 80 percent of participants expected Asia to experience an unprecedented period of growth and stability over the next decade. While most delegates appreciated that there would be inevitable challenges along the way, the group consensus was that Asia is now poised to play a more important role in the global economy and geopolitics.

Some delegates also identified and elaborated on several factors and consequences that would play an especially important role in shaping Asia's future.

Differentiation of States: At least one conference participant believed that the scenarios were not successful in capturing the varied experiences of individual nation states within Asia. Some models present a single "Asian" experience, which denies the complexities of states and their relationships. Even under the Golden Age model, there were bound to be winners and losers in Asia.

U.S. Policy: Many delegates argued that the actions of the United States in the region over the next decade remain one of the most important drivers of Asia's future.

China and Change: Some delegates expressed the feeling that it is impossible to overstate the role that China will play as a driver of change in the region. As a result of the centrality of China to the rest of Asia, almost any change within China will have some ripple effect. The rise of Chinese nationalism will be particularly important to watch and understand.

Strategic Security Relationships: The balance of power in Asia is an important factor that is too often left out of the equation. Over the past thirty years, there has been a delicate balance of power in Asia that has been reinforced by the U.S. military presence in the region. With the rising power of China and India, and the reemergence of Japan's defense forces, how these players and the United States align themselves will have serious ramifications on the long-term stability of the region.

Asian Global Leadership: With the shifting economic, security, and demographic power toward Asia, several delegates were struck by the absence of outward-looking effects of these trends. As Asians assumed major positions in global institutions such as the United Nations or G-20, their leadership might result in changing global priorities.

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