Before taking up the specific issues of defence and security in South Asia, a quick look at rapidly changing international order is necessary. The developments during 1991, especially the liberation war of Kuwait and the disintegration of the Soviet Union resulted in an uncertainty in the international system. Majority of the nation States in the world today are trying to keep their options open. In this backdrop one can discern six broad trends in the world to-day. There are:

(i) The post-colonial impulses and motivations which determined foreign policy of most of the developing countries have come to an end.

(ii) The last five decades have transformed developing societies individually and the community of nations collectively. Factors affecting national identities and their territorial security, the nature of development and economic interests and external equations have undergone a change; and are affecting the security policies of each nation State.

(iii) Higher levels of political awareness amongst the masses have generated higher levels of political expectations. Therefore, economic, social and security concerns of each nation State is undergoing a perceptible change.

(iv) At a more important level of the political structuring of societies, especially in the developing countries, the concept of nation State itself is being challenged by linguistic, ethnic and religious groups.

(v) While the developing countries are busy with the process of nation building, the developed countries quest for resources of the globe and their management
is on the top of their agenda.

(vi) Lastly, the great powers have shown a decisive attitude in withdrawing from some of the troubled spots of the developing countries like Afghanistan and Cambodia, signalling to the parties involved to sort them out for themselves.

II

Against this backdrop let us examine the scene in South Asia. The developments in the Soviet Union and other Eastern European countries in the past three years have made many in the region to do soul searching. Some well meaning liberal intellectuals even started saying that the process of carving out nation states is not complete in the South Asian region; and to avoid further upheavals, a reorganisation of the state structure is needed.

The issue at stake is, are we doing so badly? The events show that since the beginning of this decade, political institutional structure in the nation states of South Asia is undergoing a change. We had witnessed the return of elected government based on adult franchise in Nepal. The absolute power of the monarchy has been replaced by an elected government and the process of adjustment to this new form of governance has been more or less peaceful. This transition enabled Nepal to come to terms with geostrategic realities more swiftly.

Similarly, in Bangladesh, the authoritarian rule of Lt. Gen. Ershad ended dramatically; and was replaced by the elected government of Begum Khaleda Zia. The aberrations in the institutional framework are being slowly rectified. Reports from Dhaka indicate that the government of Begum Zia has come to grips with the problems facing the country; and it is a matter of time when the developmental process is restarted. With a stable institutional framework, there is no reason why the new government cannot tackle some of its major problems.

In Pakistan too, the Generals appear to have realized that to run a country of its size, authoritarianism is not suitable. The death of General Zia in 1988 and subtle pressure from the friendly countries, in a way prompted the military rulers to stay away from political process. But still some weird laws
and their authors are still in positions of power in Pakistan, and this is hindering the democratic process to a certain extent. Still, the concept of democratisation of Pakistan polity is on.

In Sri Lanka, in spite of grave threats to its territorial integrity, the democratic process has not been disrupted. India, on the other hand, entered a new phase of electoral politics. In quick succession two minority governments were replaced by a third minority government. Since the problems are stupendous, the leadership adopted a consensus approach to find a political solution to most of the problems. The first four months of the new government in Delhi gave the impression that the leadership is able to give a direction to the government.

In spite of these positive developments, the South Asian scene is rather grim, from a different angle. The developments on the domestic front in five out of the seven SAARC countries have started posing serious threats to security of these countries. At a macro level these developments are largely due to the process of development not keeping pace with the aspirations of the people. One cannot dispute that global revolution in information made people realize what development can do to improve their levels of living with the result that the people of the region feel that their rulers are not able to deliver the goods.

A quick look at India's case brings this out sharply. The problems of Kashmir, Punjab and Assam is essentially one of economic development. From all accounts we are getting from Kashmir, it essentially boils down to that the developmental funds allocated to the state were not used properly. This mismanagement of Kashmir's economy for the last three decades resulted in an explosive situation. The political leadership stands totally discredited and there is an all round vacuum in the political apparatus. A new group is trying to fill this, with a promise that they will set the house in order.

Similarly, in Punjab, what started as a farmers' agitation for remunerative prices for their crops in late 1970s and early 1980s got mixed up with a number of other issues resulting in an unfortunate situation today. So is the case with Assam. The migration of population from neighbouring West Bengal
threatened the existing opportunities for the locals. The Naxalite movement in South and Central India, is basically against economic exploitation of the have-nots.

Even in the case of the Mandir-Mosque issue, even though the politicians have taken it to a ridiculous level, the fact comes out clearly that the petty politician would not have been able to play up the sentiments of the people, if there was adequate economic development in the heartland of the Gangetic basin. The anti-Mandal agitation also falls in to the category of lack of development for gainful employment of the youth.

Probably to this economic reason, one can add that the new generation of professional politicians are willing to get in to the fray without a vision of the future. The experience of other countries is no different. The problem of Chakmas in Bangladesh or Sindhis in Pakistan fall in the same category. Even the sectarian differences in Pakistan are largely due to the wide economic disparities in the process of development. The developed Panjub and under developed Baluchistan in Pakistan sharply bring out this point. The troubles in Sri Lanka and Bhutan at macro level also belong to the same category.

The existing leadership in South Asia envisages that privatisation of the economic activity will accelerate the process of development. In a way this shows that the centralised planning process has outlived its utility and new orientation has to be given for the development process. If the desired acceleration in the economic development takes place by privatisation, one can foresee, the evolution of a regional economic co-operation even though some of the rulers in these countries are against it.

Secondly, this may also mean in his search for profits, the private entrepreneur is going to interact with more people within South Asia and that should enable him to understand his neighbours better than in the past. Lastly, over the next decade or so, one can also hope certain amount of economic integration would usher among the SAARC countries. The confusing signals emanating from the South Asian scene should not be looked upon only in the negative sense. Almost every nation in the developed world went through this
process, and the countries of South Asia cannot escape this.

III

While this is one side of the new problem that has emerged posing a threat to the State structure, the old security perceptions still resist. The two most important nations of the region, India and Pakistan, are still obsessed with the issue of Kashmir. The demographic alterations taking place continue to strain the Indo-Bangladesh relations. And so is Indo-Sri Lanka relations. At a popular level, it is perceived that each nation state of the region is trying to take advantage of the other state's difficulties. Therefore, no country is willing to lower its military preparedness in any significant way.

This mutual suspicion coupled with the need to fight sectarian/ethnocentric ambitions resulted in say a ceremonial armed forces like that of Sri Lanka, preparing itself for a major combat.

Against these trends, bilateral negotiations to understand each other threat perceptions is on among the various countries. This is a marked improvement compared to 1960s and 1970s. For instance in spite of strong positions taken by India and Pakistan on a number of issues, both sides have kept the process of dialogue going on. Similarly, the troubled Indo-Nepal relations were corrected swiftly with the popular government assuming office in Kathmandu, and the dialogue is on.

With the result, even though war like situations developed from time to time, during the past twenty years in South Asia, they were quickly defused. One cannot ignore this positive development.

IV

This takes us to the next question what would be the security profile of South Asia in the coming decade? The existing political leadership may come under increasing pressure due to slow pace of development. As has been mentioned earlier, Privatisation of the economy as a method of resolving this problem is being adopted by all the countries in South Asia. The dismantling of state sector, the withdrawal of subsidies and a whole lot of related issues, is
likely to bring a new set of threats to the existing state structure from within.

Secondly, the low intensity conflicts that have started all around in the past decade or so may continue for some more time, threatening the very process of governance of a nation state. This automatically resulted in a number of abberations in the existing social order.

An equally alarming feature is the fallout of the former Soviet Union's invasion of Afghanistan. According to many commentators this has resulted in the spread of narcotic trade and the related narco-terrorism. Some observers of the South Asian scene believe, that by the end of this century, there would be about 50 million drug addicts in this part of the world, if adequate measures are not taken to check this; and if the multiplier of the drug addiction is taken in to consideration, this may increase in geometrical proportion from 2001 AD onwards. Almost all the states are experiencing the effects of narco-terrorism in one form or the other.

To counter terrorism, narco-terrorism, which has developed a nexus with sections of the ruling elite in some of the nation states, is going to be major security concern in the coming decade.

To sum up; the developments in the past few years have left the international system in vacuum. Information revolution has considerably enhanced the aspirations of the people; and they are questioning even the legitimacy/authority of the ruling elite. Ethnocentric ambitions coupled with narco terrorism are providing a major threat to the nation states.
The end of the Cold War has various implications for the future world order. Various people and various countries are now groping their way through uncertainties for a new shape of international society. Once the decades-old East-West schism is faded out, it seems plausible that we can speak at long last of “one world”. Ironically, however, with the relaxation of the international tension of a global scale, we are now witnessing a trend towards regionalism, nationalism and ethnic conflict. Optimists envisage a world of economic interdependence and integration that go across the old dividing lines among different socio-political systems, East and West or North and South. To them a new world order will be one in which no other principles can rival those of market economy and political democracy (“the end of history”). Those who are more cautious are wary of the possibility that a post-Cold War world would be increasingly disconnected and dissonant. Despite the already discernible signs of serious conflict among the advanced economies, this school would argue, they have so far restrained themselves from going extreme primarily because they could not afford jeopardizing their security in face of the international communism. Free from the fear for the formidable enemy outside, the advanced economies would from now on be engaged in unfetteredly intra-group wrangling. Some people even argue that the United States and Japan are already well on their way to another Pacific war because, according to them, the existence of a common enemy in the form of the Soviet Union has been the only potent reason for their unnatural alliance whereas these two nations have every reason to quarrel with each
other from an economic point of view.\textsuperscript{1}

There are many causes for domestic and international conflicts outside the club of advanced economies as well. Apart from the disintegration of the former Soviet Union and the political confusion in many of the former socialist countries all over the world, many countries are suffering from unrest and turmoil due to the deep-rooted ethnic and religious discord.

The present writer takes a view which can be described as cautious optimism. The international political system will continue to face many examples of friction and conflict in view of the fact that the end of the Cold War does not mean the elimination of all sources of disagreements of opinion and disharmony of interests. At the same time, however, it is difficult to deny the fact that policy space had become so dense nowadays that any nation cannot pursue its goals effectively without soliciting cooperation of other nations. This is especially the case with economic welfare and environmental protection. But the political management of economic and ecological interdependence is not an easy task at all. Everybody is aware of the necessity of international cooperation in order not to fall together but no one likes to fall behind foreign competitors, because one tends to compare what he possesses now not with what he possessed yesterday but with what his neighbour possesses now. What matters in politics is not absolute gains but relative gains. That is the way human nature works.

Another reason for the difficulty of the management of international interdependence is the propensity of any politically conscious group for self-determination. The logic of politics is distinction if not excellence. Distinctness brings pride along with it. This is the reason why a political entity places the preservation of group indemnity (national, ethnic, regional, etc.) ahead of efficiency and utility that might be obtained by lowering physical as well as spiritual barriers that separate itself from the external world. The situation varies from one country to another but on the whole developing states give a high priority to political independence (national sovereignty, resilience, self-reliance, etc.), while advanced nations are more concerned with practical gains of
economic interdependence.

A still another reason for the difficulty is an imbalance between the financial resource, which is limited, and the task of economic development and rehabilitation, which is enormous. The disappearance of political antagonism between the East and the West virtually means admission of the former socialist countries (including Russian Republics) to the category of developing nations which are eligible for economic assistance from DAC members. This will force donor nations like Japan to disperse their ODA money more widely than before. In addition to the recipient countries in the traditional sense, East Europeans and former Soviet Republics are now among the countries with whose economic fate DAC members must be concerned. Given the more or less fixed amount of money available for ODA, competition among the recipient countries will of necessity become more fierce. Another side of the same coin is that a donor country, say Japan, has to set up some definite criteria for its ODA policy. The Japanese government has made it public, for example, that it will henceforth take into consideration in the implementation of the recipient countries (see the Appendix).

People often argue that it is now a time for Japan, a leading aid power, to set about an ambitious plan of the post-Cold War economic reconstruction on the model of the Marshall Plan which was engineered by the United States after World War II. The analogy between the two situations is, however, merely superficial. It is a question whether the Marshall Plan was intended from the very beginning to be part of the Cold War strategy, but it turned out to be such. Under the then existing circumstances it was all clear who was a good guy worthy of assistance and who was not. Many countries were thus almost automatically excluded from the list of the would-be recipients. The so-called political conditionality of today are at best subject to flexible interpretations. Note that almost all nations today claim they are democratic, which means any nation is eligible, at least subjectively, to economic assistance from the DAC members.

One cannot compare today's situation to that of the post-World War II era also because there is a crucial difference in the relative preparedness for economic development between
the two groups of the recipients. Those countries which had received Marshall Plan aid (and Japan as well although it was not covered by the Marshall Plan) had experienced economic take-off years before their economies were devastated by the war. Therefore, the provision of financial resources could and did work as an effective means of reconstruction of their economy. Unlike the Marshall Plan aid recipients, most of today's developing countries have to start from scratch and there is no quick remedy. In view of the onerous task before them, one should not overestimate the effect of economic assistance.

Finally, today's Japan, whatever one's estimate of its economic potentials might be, cannot be compared to the United States whose economic standing was almost unrivalled in the years immediately after World War II. As Table 1 shows, the size of the US economy was twice as big as the total of the rest of the listed countries in the 1950s. It still remains the single largest economy in the world though it is smaller than the combined strength of Japan and EC economies.

Table 1: Relative Standings of Big Seven Economies

<table>
<thead>
<tr>
<th>Country/Group</th>
<th>1952 (GDP)</th>
<th>1988 (GNP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>16,681(3.17%)</td>
<td>28,67,000(23.79%)</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>349,400(66.30%)</td>
<td>48,81,000(40.50%)</td>
</tr>
<tr>
<td>Canada</td>
<td>25,023(4.75%)</td>
<td>4,85,000(4.02)</td>
</tr>
<tr>
<td>U.K.</td>
<td>43,787(8.31%)</td>
<td>8,37,000(6.94%)</td>
</tr>
<tr>
<td>France</td>
<td>41,600(7.89%)</td>
<td>9,48,000(7.87%)</td>
</tr>
<tr>
<td>W. Germany</td>
<td>32,500(6.17%)</td>
<td>12,08,000(10.02)</td>
</tr>
<tr>
<td>Italy</td>
<td>18,029(3.42%)</td>
<td>8,26,000(6.85%)</td>
</tr>
<tr>
<td>EC sub-total</td>
<td>(25.89%)</td>
<td>(31.68%)</td>
</tr>
<tr>
<td>Total</td>
<td>(100.00%)</td>
<td>(100.00%)</td>
</tr>
</tbody>
</table>

One likely scenario in the years to come is, therefore, an increase in rivalry among the three economic centers, Japan, America and Europe, while it is imperative on them to cooperate in order to maintain the basic framework of international interdependence. Rivalry may take a variety of forms, with regionalism being among them. EC, the most
highly institutionalized among the three, will be expanded horizontally to incorporate in one way or another Eastern Europe (and possibly European portions of the Russian Republics) in the future. Germany’s financial resources will be, for example, re-directed in factor of the underdeveloped areas within Europe, sacrificing at least partially extra-regional commitments. Whatever will be the future of the North American Free Trade Area (NAFTA) which is still in an embryonic status, the US will be forced to concentrate on the area adjacent to itself, particularly Central America and Caribbean Basin, again sacrificing to a certain extent its former extra-regional commitments. Japan is likely also under the influence of history and geography, to pay more attention to Asia and the Pacific than any other areas. Since around 1977 the pattern of geographic distribution of Japan’s ODA has been basically same: 70% for Asia, with the remaining 30% being allocated more or less evenly to Africa, Latin America and Middle East despite some changes over time. It is true that the relative share for Asia and the Pacific has been somewhat declining due to the increasing pressure from different quarters, but nearly two-thirds of Japan’s bilateral ODA is directed to Asia. It is worth noticing that the share for South Asia ranges roughly from $1/6$ to $1/5$ of the total ODA of Japan during the quest decade.

Table 2: Pattern of Geographic Distribution of Japan's ODA

<table>
<thead>
<tr>
<th>Region</th>
<th>US $ million (1988)</th>
<th>% share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of which</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northeast Asia</td>
<td>4,034.35</td>
<td>62.8</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>724.64</td>
<td>11.3</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>2,965.9</td>
<td>34.2</td>
</tr>
<tr>
<td>Others</td>
<td>1,109.47</td>
<td>7.3</td>
</tr>
<tr>
<td>Middle &amp; Near East</td>
<td>3.64</td>
<td>-</td>
</tr>
<tr>
<td>Africa</td>
<td>582.62</td>
<td>9.1</td>
</tr>
<tr>
<td>Central &amp; South Africa</td>
<td>883.93</td>
<td>13.8</td>
</tr>
<tr>
<td>Oceania</td>
<td>399.29</td>
<td>6.2</td>
</tr>
<tr>
<td>Europe</td>
<td>93.07</td>
<td>1.4</td>
</tr>
<tr>
<td>Others</td>
<td>3.96</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>6,421.87</td>
<td>6.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>US $ million (1988)</th>
<th>% share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>6,428.7</td>
<td>100.0</td>
</tr>
</tbody>
</table>
It seems that 'sphere of responsibility' is emerging, if not by design but through practice, for each of the regional groups of donor nations. As Table 3 shows, the Asia/Pacific group (especially Japan) takes a lead in the ODA for Asia and the Pacific, accounting for more than half of the total ODA that the developing nations of this region received in 1987. Likewise, the American (USA and Canada) and the European group provided more than half of the ODA received by Middle East and Africa respectively. The picture of Latin America is somewhat vague, with Americas and Europe sharing burden almost evenly.

Table 3: Division of Labor Among Regional Groups in ODA Distribution: 1987

<table>
<thead>
<tr>
<th>Donor</th>
<th>Asia</th>
<th>Oceania</th>
<th>Middle East</th>
<th>Africa</th>
<th>Latin America</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>9.4</td>
<td>14.1</td>
<td>50.7</td>
<td>9.8</td>
<td>35.1</td>
<td>-</td>
</tr>
<tr>
<td>Canada</td>
<td>5.0</td>
<td>0.2</td>
<td>1.1</td>
<td>4.1</td>
<td>3.4</td>
<td>-</td>
</tr>
<tr>
<td>Americas</td>
<td>14.4</td>
<td>14.3</td>
<td>51.8</td>
<td>13.9</td>
<td>38.5</td>
<td>-</td>
</tr>
<tr>
<td>Japan</td>
<td>50.0</td>
<td>5.4</td>
<td>10.1</td>
<td>6.7</td>
<td>10.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Australia</td>
<td>4.7</td>
<td>22.0</td>
<td>0.2</td>
<td>0.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New Zealand</td>
<td>0.1</td>
<td>3.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Asia-Pac.</td>
<td>52.8</td>
<td>31.1</td>
<td>10.3</td>
<td>7.1</td>
<td>10.2</td>
<td>1.6</td>
</tr>
<tr>
<td>France</td>
<td>4.0</td>
<td>50.0</td>
<td>10.0</td>
<td>27.2</td>
<td>22.7</td>
<td>15.8</td>
</tr>
<tr>
<td>Germany</td>
<td>7.5</td>
<td>1.1</td>
<td>15.1</td>
<td>10.7</td>
<td>12.8</td>
<td>54.5</td>
</tr>
<tr>
<td>UK</td>
<td>3.4</td>
<td>3.2</td>
<td>1.1</td>
<td>4.3</td>
<td>1.0</td>
<td>11.9</td>
</tr>
<tr>
<td>Italy</td>
<td>3.0</td>
<td>-</td>
<td>4.8</td>
<td>13.4</td>
<td>3.9</td>
<td>14.2</td>
</tr>
<tr>
<td>Europe</td>
<td>18.0</td>
<td>54.3</td>
<td>31.6</td>
<td>55.6</td>
<td>40.4</td>
<td>96.4</td>
</tr>
<tr>
<td>Total</td>
<td>85.2</td>
<td>99.7</td>
<td>93.1</td>
<td>76.6</td>
<td>89.1</td>
<td>98.0</td>
</tr>
</tbody>
</table>

As stated above, however, Europe will most likely be concerned with 'developing countries' within its own region (i.e., East Europe and Russia) henceforth, resulting in cutting off its commitments to other regions, while the Americas will pay more attention to western hemisphere. The likely consequence is, therefore, that Latin America falls under the sphere of the Americas' responsibility in a similar way Asia and Africa now fall under Japan and Europe's sphere of respectively. What is more, if the present trend of expansion
of Japan's ODA continues in the future, Japan's share of responsibility in Latin America and Africa will become larger to such an extent as to share a burden fairly equivalent to the secondary player. In other words each of the three groups would take a leading role in its own 'sphere', while playing a secondary role in the other two areas. If this happened, there will be corresponding changes in the implementation of ODA policy of the countries concerned in terms of geographical distribution (See Table 4 for pattern of geographical distribution of major donor countries as of 1987).

It is difficult to predict the future pattern of division of labor among the three groups in the Middle East and, to a lesser extent, East Europe as well in the light of fluidity of political situation there. It may well be that the three groups will be collectively responsible for the stability of the Middle East in the post-Gulf War era. As for Europe, despite the considerable contribution from America and Japan, it will most likely impose upon the European group (particularly Germany) a special responsibility.

Table 4: Share of Bilateral ODA received by Different Geographical Areas from the three Donor Groups: 1987

<table>
<thead>
<tr>
<th>Donor</th>
<th>Asia</th>
<th>Oceania</th>
<th>Middle East</th>
<th>Africa</th>
<th>Latin America</th>
<th>Europe</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>9.2</td>
<td>2.5</td>
<td>37.6</td>
<td>2.4</td>
<td>20.6</td>
<td>--</td>
<td>100.0</td>
</tr>
<tr>
<td>Canada</td>
<td>26.8</td>
<td>--</td>
<td>4.4</td>
<td>29.3</td>
<td>11.2</td>
<td>--</td>
<td>100.0</td>
</tr>
<tr>
<td>Americas</td>
<td>11.9</td>
<td>2.2</td>
<td>32.6</td>
<td>5.0</td>
<td>9.1</td>
<td>--</td>
<td>100.0</td>
</tr>
<tr>
<td>Japan</td>
<td>65.1</td>
<td>1.3</td>
<td>10.0</td>
<td>11.3</td>
<td>8.0</td>
<td>--</td>
<td>100.0</td>
</tr>
<tr>
<td>Australia</td>
<td>34.0</td>
<td>51.5</td>
<td>1.8</td>
<td>6.6</td>
<td>0.1</td>
<td>--</td>
<td>100.0</td>
</tr>
<tr>
<td>New-Zealand</td>
<td>10.4</td>
<td>69.3</td>
<td>--</td>
<td>1.2</td>
<td>0.4</td>
<td>--</td>
<td>100.0</td>
</tr>
<tr>
<td>Asia/Pac.</td>
<td>61.6</td>
<td>6.7</td>
<td>9.2</td>
<td>10.8</td>
<td>7.2</td>
<td>--</td>
<td>100.0</td>
</tr>
<tr>
<td>France</td>
<td>5.1</td>
<td>11.8</td>
<td>9.8</td>
<td>45.5</td>
<td>17.5</td>
<td>0.4</td>
<td>100.0</td>
</tr>
<tr>
<td>Germany</td>
<td>16.9</td>
<td>0.5</td>
<td>25.4</td>
<td>3.0</td>
<td>6.9</td>
<td>2.3</td>
<td>100.0</td>
</tr>
<tr>
<td>UK</td>
<td>23.2</td>
<td>4.0</td>
<td>5.7</td>
<td>38.3</td>
<td>6.5</td>
<td>1.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Italy</td>
<td>10.8</td>
<td>--</td>
<td>3.2</td>
<td>63.5</td>
<td>8.5</td>
<td>1.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Europe</td>
<td>10.0</td>
<td>6.0</td>
<td>14.3</td>
<td>43.9</td>
<td>15.0</td>
<td>1.1</td>
<td>100.0</td>
</tr>
<tr>
<td>DAC Total**</td>
<td>22.8</td>
<td>4.2</td>
<td>17.4</td>
<td>29.7</td>
<td>3.7</td>
<td>0.4</td>
<td>100.0</td>
</tr>
</tbody>
</table>

* Other recipient countries are included. ** Other donor countries are included.
To sum up, there will emerge a condominium of the three groups of leading economies (North America, Japan and West Europe), each of which assumes a major responsibility for its own area of special interest, without excluding a room for sharing responsibility with the other two groups, as far as the three major areas of developing economies (Asia, Africa and Latin America) are concerned.

This is not to say, however, that economic assistance from the leading economies would be sufficient condition for the socio economic development and political stability of the developing countries in these regions. What is essential is spontaneous and indigenous initiative for two reasons. First, the more stable and cooperative the region is, the more advantageous it will be in the competition for ODA and FDI (foreign direct investment) from outside. Given the scarcity of financial resources relative to the requirements, the overall performance of the recipient would be a critical determining factor in the competition. A similar logic works for an individual country, the perceived 'Country risk' of which is a well known factor in the decision-making on the part of the would-be investors. In the Cold War era, 'hot spots' all over the world attracted special attention from the United States and its allies who were afraid of infiltration of international communism. Hence 'strategic assistance' were available for the countries adjacent to those hot spots. The rule of the ODA game has changed in the post-Cold War era: now domestic rather than geo-political factors play a more important role. Hence, the importance of such factors as human rights, democracy, economic fundamentals, regional stability, peaceful resolution of conflicts, etc., are more decisive than ever.

Secondly, regional cooperation is an essential requirement for the post-Cold War security system. As shown by the recent experience of the Gulf War, the present condition of the international society is encouraging to the peace-keeping function of the Security Council of the United Nations. Needless to say, the irreconcilable antagonism among the five permanent members (let's call them P-5) had for long prevented the function of collective security mechanism provided for in Chapter VII of the UN Charter. The end of the
Cold War put an end to that unfortunate situation. However, the mere removal of that obstacle would not bring about a full activation of the Security Council. In the absence of UN forces to be placed under the command of a Military Staff Committee as is stipulated in the Charter, the Security Council is void of an effective means of implementation. It seems that we have to travel a long way to achieve that goal.

This means that we will have to rely for the time being on the so-called peace keeping operations (PKO) of the UN. Invented as an *ad hoc* device to fill the above-mentioned void, the concept of PKO is significantly different from that of collective security originally envisioned by the founding fathers of the UN. It is also different from the concept of 'pacific settlement of disputes' that is provided for in Chapter VI of the Charter. The assumption of chapter VI is that the parties to a dispute are capable of reaching a pacific settlement of the dispute independent of others' help. The Security Council may make recommendations but cannot intervene by actions. Under the concept of PKO the UN does intervene by actions with the consent of the parties to the dispute in question. Involving an outside intervention' PKO differs from the concept of pacific settlement as it is defined by Chapter VI, and at the same time, requiring the consent of the disputed parties, it differs also from the enforcement of peace that is provided for in Chapter VII. Hence the name Chapter VI and a half.

PKO played a role in various situations such as Palestine (UNTSO, 1948), Kashmir (UNMOGIP, 1948), Suez (UNEF, I, 1956), Lebanon (UNOGIL, 1958), Congo (ONUC, 1960), West Irian (UNSF, 1962), Yemen (UNYOM, 1963), Cyprus (UNCYP, 1974), Indo-Pakistan conflict (UNIPON, 1965), Suez (UNEF, II, 1973), Syria, (INDOF, 1974), Lebanon (UNIFIL, 1978), Iran-Iraq war (UNIMOG, 1988), Afghanistan (UNGOMAP, 1988), Namibia (UNTAG, 1989), Angola (UNAVEN, 1989), and Central America (UNUCA, 1989). It covers such a wide range of activities from observations over cease-fire, keeping civil order, election monitoring to transition assistance that some of its functions can be more properly called 'peace-building' rather than 'peace-keeping'. Although a minimum involvement of armed forces is
inevitable because of the nature of the task, more important instruments are non-military such as police, a disaster relief team, medical aid, economic and administrative experts, etc.

With the end of the Cold War the task of international security is shifting from avoidance of an all-out armed conflict among major powers to political settlements of regional conflicts that originate either from domestic disorder within one country or from international disputes. One of the desiderata for successful operations of the UN for that purpose is the maintenance of a minimum degree of agreement, if not a positive cooperation, among the major powers especially among P5. This is not sufficient, however, because these major powers, whether individually or collectively (i.e., though the Security Council), cannot dictate peace to the parties to a regional conflict. As mentioned before, the UN peace-keeping operations can be mobilized only when the parties concerned give their consent to receive others advice and assistance. A crucial question is, therefore, who is capable of persuading the interested parties to seek for a pacific settlement of the dispute. This is where regional initiative is found ardently desired.

A successful example of such regional initiative is found in the role played by the Contadora group and other regional actors (including OAS) in the process of pacific settlement of the civil war in Nicaragua. It is only when the groundwork was prepared by the regional actors that the UN was legitimately mobilized to act on the spot. A decision at a global level (in this case at the level of the UN Security Council) alone cannot provide the needed legitimacy. A similar formula of combined efforts at global and regional levels for pacific settlement of regional conflicts has been tried in Asia (with regard to Cambodia) and Europe (Yugoslavia). 6

It may be concluded, therefore, that the stability of the emerging world order depend to a significant degree on the two conditions: a global concert and regional concerts. Major powers that have a global reach, P-5 in the field of international Security and G-7 in the field of international economy, are particularly responsible for the former. Various regional actors, national or international, have an important
role to play in order to satisfy the latter condition. This is the way globalism and regionalism can constructively coexist into the next century.
Appendix

On Japan’s ODA in relation to Military Expenditure and other matters of the Developing countries
Ministry of Foreign Affairs, Japanese Government (unofficial translation).

1. The ODA (Official Development Assistance) of Japan is provided based upon (1) humanitarian consideration toward such problems facing the developing countries as poverty and famine that cannot be ignored and (2) recognition of the fact of interdependence among the nations of the international community in the sense that stability and further development of the developing countries are indispensable to the peace and prosperity of the entire world.

2. In the course of the Gulf Crisis and its aftermath, question on the armaments of the developing countries, the necessity of enhancing international efforts towards arms control and disarmament, etc., have attracted attention both inside and outside Japan. It is, therefore considered appropriate and important to clarify the basic view of the Government regarding its ODA in relation to such questions.

3. Based upon the basic ideas mentioned in parallel above, the Government of Japan henceforward will pay full attention in the implementation of ODA to the following points:
   - trend in military expenditure by the recipient countries from the viewpoint that the developing countries are expected to allocate their own financial, human and other resources appropriate to their economic and social development and to make full use of such resources;
   - trend in development, production, etc., of mass destructive weapons by the recipient countries from the viewpoint of strengthening the efforts by the international community for prevention of proliferation of mass destructive weapons such as atomic weapons and missiles;
   - trend in the export and import of weapons by the recipient countries from the viewpoint of not promoting international conflicts;
   - efforts for promoting democratization and introduction of a market-oriented economy and situation on securing basic human rights and freedom by the recipient countries; and make is decision on aid, taking into account comprehensively such factors as bilateral relations with the recipient countries, the international situation including the security...
environment in which the recipient countries are placed, aid needs, economic and social situation of the recipient countries, etc.

Foot Notes


5. *Ibid*.