

Part III

Background Papers and Presentations

Asian Values: Asset or Liability?

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CONSIDERING THAT MANY Asian economies are facing serious financial problems today, the timing of the project on "Asian values" could not have been better, or, for that matter, worse. Asian values have been touted as the driving force behind Asia's rapid and remarkable economic strides during the past several decades. In recent years also, politicians and scholars have been using the concept for a variety of purposes. Some have done so in response to Western criticism of Asia in such issue areas as democracy and human rights. Others have invoked the concept to legitimize the political system and regime in power. Still another purpose has been to protect what some considered to be necessary values for good government and a good society from the decadent influence of the West. Finally, for some academics in Asia and elsewhere the interest in Asian values has been motivated by a genuine desire to discover what has prompted Asia's economic growth.

Some recent debate has taken place about whether something like Asian values exist and, if so, how they can be defined and what their role has been in the respective Asian countries' economic development, politics, and foreign relations. Then came the currency and economic crises, starting with Thailand and then spreading to Malaysia, Indonesia, and South Korea. Other economies, such as Singapore and Hong Kong, also have been affected seriously. Several years earlier, Japan, which initially set the example of economic success for other Asian countries to emulate and

which briefly had been expected by some to become the world's number one economy, began to show structural deficiencies that resulted in economic problems of its own. All these recent phenomena raise a key question: To what extent are Asian values, to which the remarkable economic success of many Asian countries has been attributed, also responsible for the difficulties they are in today? At a minimum, one has to admit that Asian values, to the extent that they can be delineated and identified, failed to prevent the coming of the current crisis. One way to get around this dilemma is to argue that the same Asian values that were positive for the early industrialization and preglobalization stages have actually acted as impediments for Asian countries in adjusting to a new age of interdependence and globalization. The earlier stages of industrialization and economic growth required (and allowed, in many cases) a paternalistic state, government guidance and protection of private enterprises, a communitarian outlook and practices, and an emphasis on social order, harmony, and discipline—all of which are traits that supposedly emanate from what are generally considered to be Asian values. On the other hand, the new age of globalization requires among other things transparency, accountability, global competitiveness, a universalistic outlook and practices, and an emphasis on private initiative and the independence of the private sector—traits that are associated with Western values and are underemphasized in, if not antithetical to, Asian values. Thus, what was once considered as an attribute of economic success is now seen as a cause of economic troubles.

So what is the use at this stage of a study focusing on Asian values? Will politicians continue to preach the superiority of Asian values over Western values? Will scholars continue to be interested in Asian values as the basis of the economic miracle in Asia? Regardless of these two groups' attitudes toward Asian values, at least two reasons exist that recommend the study of this subject. One is that, independent from their functionality or dysfunctionality, the behavior of Asian countries will continue to be affected if not guided by such values, not in their present application, perhaps, but at least in their basic formulation. Asian values will continue to be salient factors in Asian countries' economies, politics, and international relations. The other is that some Asian countries such as Singapore, which has been the most vociferous advocate of Asian values, have adjusted to the new age of globalization with less trauma than the others. True, Singapore's size and its own style of political leadership may account for the difference in the way its economy has been affected. Yet, one

can not discount the fact that the selective and intelligent utilization of Asian values has made it possible for this city-state to weather the current onslaught of most Asian economies.

Case studies conducted by scholars from various countries in Asia and elsewhere of their own countries offer a rich source from which general observations can be drawn regarding the question of whether Asian values exist, what they are, and how they have affected the behavior—both domestic and international—of the various countries. Most Asian scholarly papers recognize the existence of values that can be described as peculiarly Asian. They stress what are considered to be essentially Asian traits—emphasis on a consensual approach, communitarian rather than individualist behavior, social order and harmony, respect for elders, a paternalistic state, and the primary role of the government in economic development and foreign relations. This view contrasts with those of non-Asian writers (especially Australian), who tend to think that, inasmuch as elements of what are described as Asian values are also found in non-Asian societies, what one calls Asian values are basically traditional values and what are considered to be Western values are basically modern values, so that the difference between the two sets of values represents more temporal than cultural distance. Thus, both the Australian and European (German) papers emphasize the dynamic and changing nature of values in their respective areas. Even as they emphasize what are obviously non-Asian traits (such as the “adversarial” system of government in Australia and the preponderant role of nongovernmental organizations in Europe), they argue that these are traits acquired through time rather than being necessarily culture-bound and hence based on traditional values.

At the same time, the Asian papers, even as they delineate a common thread of values that cuts across the Asian countries and peoples, make it clear that there are variations and differences within the area geographically defined as Asia. Culturally and ethnically, countries in Northeast Asia, namely China, Japan, and the Koreas, tend to be monocultural relative to most Southeast Asian countries, which are more pluralistic. China, to be sure, is a multiethnic and multicultural society. However, the Han people have a higher degree of predominance in China than does any major ethnic group in most Southeast Asian countries. In terms of value systems, China has had less horizontal pluralism than most Southeast Asian countries, its value system having changed (incorporated different sets of values) in a time-vertical fashion. Through time, according to the paper on

China, the society has incorporated traditional (largely Confucian) values, values related to communism, and more pragmatic values related to economic development.

There is also variation among the Southeast Asian countries. Indonesia represents an amalgamation of the traditional Javanese culture, Islamic influences, and the military/pragmatic orientation of President Suharto's New Order. In some ways, the Indonesian value system has been defined by elites and intended to serve their interests, although it has had to be persuasive to the masses. In this process, elements of *pancasila*, which was ostensibly based largely on traditional Javanese culture, have tended to clash with Islamic fundamentalism. The New Order value system emphasized a consensual approach, communitarianism, social order and harmony, respect for elders, deference to authority, and government for the benefit of the state and people. For the most part, it was accepted and supported by the middle class, which wanted *stabilitas* and *pembangunan* (stability and development). In foreign relations, these two core values have played an especially critical role. This is most clearly shown in contrast with the mobilizational foreign policy of the Sukarno government, which preceded the Suharto government. The New Order eventually evolved into a patrimonial system. Lately, the persuasiveness of the New Order value system has reached its limit, largely owing to the changing values of the middle class but also because of the moral corruption of the existing government.

In Malaysia, the role of religion (Islam) has been more prominent than in any of the other Southeast Asian countries, including Indonesia. The author of the Malaysian paper asserts that Malaysian nationalism, for example, is essentially based on Islam in that it colors not only relations with the West but also with the (Confucian) Chinese population in Malaysia. More than any other country, Malaysia defines and identifies Asian values in contrast to Western values. In Malaysia also, as in Indonesia, the political elite has utilized its cultural legacy to enhance the legitimacy and authority of the government. Unlike in Indonesia, however, the government, even as it has developed a new set of common protocols and practices and despite occasional disagreement between the modern government (i.e., Mahathir) and the traditional elite (i.e., the Sultans), has been careful not to infringe upon the Islamic values of the Malay population. The multiethnic and pluralistic nature of the society has had a limited effect on the dominance of Islam in politics as well as in international relations.

Singapore presents a unique case of a successful implementation of Asian values. It has done so by deliberately manipulating selective aspects of Asian (mostly Confucian) values while at the same time adapting them to the requirements of both the initial industrialization and post-globalization stages. Thus, Singapore has made maximum use of some elements of Confucian values such as deference to authority, social discipline, government leadership, and emphasis on education, family values, and consensus. Add to these such values as meritocracy, clean government, efficient bureaucracy, enlightened leadership, and national unity and you have a city-state that has overcome those negative aspects of Asian values—informality, favoritism toward family members and closed circles of friends and relatives, and the resultant tendency to corruption—and embraced those values that have contributed to making Singapore a society that is rational and efficient in economic management, that is virtually corruption-free, and that values ability over personal relationships. Thus, for Singapore, Asian values as defined and used by the leadership have been not only a useful tool to legitimize state paternalism but also an instrument for bringing about rapid economic development and enabling the state to adapt to the changing world.

The emphasis on nonconfrontational relationships among individuals and societies in Southeast Asia has made the region's foreign policy behavior one that generally seeks consensus rather than confrontation (although sometimes confrontation has been the preferred policy in foreign relations, particularly in the case of Indonesia during its *confrontasi* period). Furthermore, an emphasis on economic development and growth has led the Southeast Asian countries to pursue foreign policies of pragmatism and stability, notwithstanding occasional rhetoric to the contrary by some leaders. In fact, such attitudes of Southeast Asian countries have contributed to the emergence of what is known as the "ASEAN way," which involves a slow and patient process of consensus-seeking, an emphasis on face-saving devices, and the primacy of government-to-government relationships.

The ASEAN way did not suddenly surface with the official inauguration of the regional grouping. It has evolved through time, reflecting not only the already existing cultures of the member countries but also the conscious efforts of their leaders and other participants. The fact that additional countries—not only Brunei but also the Indochina three, Laos, Myanmar, and Vietnam—have been eased into the Association of Southeast Asian Nations (ASEAN) and undergone the accompanying

acculturation process is another indication that the regional organization has as great an impact on the behavior of individual member countries as do their respective cultures. At the same time, the ASEAN way could not have taken root on culturally unreceptive soil. Thus, the existing cultural elements and values have had a critical bearing on the ASEAN way as it has been cultivated by its members. Northeast Asian countries share many of the traits that are found commonly among Southeast Asian countries, including family values, state paternalism, community over self, and deference to authority. However, being relatively monocultural societies more influenced by Confucian elements, China, Japan, and the Koreans seem to place less emphasis on racial and religious tolerance and harmony and are less averse to confrontation. Still, as societies that emphasize personal relationships, they all seem to be susceptible to corruption and favoritism—phenomena that are common to all Asian countries, Northeast and Southeast, with the exception of Singapore.

China is, in a manner of speaking, the cradle of Asian values with its large territory, long cultural history, rich intellectual legacy, and large population relative to the rest of East Asia. Naturally, current Chinese values are the product of a multiplicity of traditions, ideologies, and realities. Historically, China has gone through several cultural/intellectual stages: the Confucian (plus Taoist and Legalist), the modernizing (republican), the communist, and now the pragmatic (developmental). What we find today, according to the author of the Chinese paper, is an amalgamation of these values, which have both remained stable and changed over time. Today, three sets of traditions—Confucian, communist, and developmental—inform the behaviors, practices, and institutions of China. The Confucian tradition is operative mainly in interpersonal relationships—deference toward elders and authority, adherence to dogma, and a stress on achievement. The communist stage left an indelible mark on the Chinese egalitarian impulse and Leninist political structure. The pragmatic and developmental aspirations are reflected in the policies of the government and behaviors of individuals, many of whom now prioritize the accumulation of wealth over all other values.

Not every aspect of Chinese thinking has changed to a significant degree, however. The Middle Kingdom mentality, which regards China as the center of the universe and assumes the inherent right of China to be treated with respect and deference by neighboring countries, is still relevant to understanding China's foreign relations and behavior. Even while protesting the intentions of other powers, especially the United States, to

exercise hegemonic power in the region, China itself can be said to attempt to assert a predominant position in the region. To a large extent, China's self-image is also buttressed by those neighbors that consider China to be Asia's rightful master. Such an attitude is at once supported and resented because of the presence of large numbers of overseas Chinese in the region. For some countries, it is a reason to regard China as the mother country; for others, a reason to be wary of and resist Chinese influence.

Japan, as the first example of Asian economic success, would seem to be the main and earliest beneficiary of Asian values. But Japan has a unique tradition all its own—a feudal society dominated by the warrior class. For Japan, economic development took place earlier than in other countries because its elite had a very pragmatic goal in response to the West—*fukoku kyohei* (rich country and strong army). Democratization has been possible not only because it was imposed on postwar Japan by the occupying Americans, but also and perhaps more importantly because of its feudal legacy, which facilitated decentralization and the rotation of the political elite. After a period of phenomenal success, Japan today faces much difficulty in adjusting to the requirements of a globalized economy. Overregulation by the government, for one, has been a major hurdle in Japan's globalization process. It remains to be seen whether the "trust" factor that Francis Fukuyama attributes to such countries as Japan and Germany will enable Japan to overcome its current difficulties, which are obviously linked to its Asian value system. Japan is an essentially Asian society in that consensus-seeking, rather than adversarial confrontation, is the dominant mode of behavior. However, while consensus-seeking has been important to the social and political life at home, Japan has occasionally shown confrontational behavior in its international relations. Since the end of World War II, Japan's value system has experienced considerable confusion. This point is reflected in the Japanese paper on Overseas Development Assistance, for which the Japanese are still struggling to find a moral and ideological justification.

South Korea presents a typical, if not extreme, case of Asian values playing both a functional and dysfunctional role in sustained economic success. The Confucian legacy, in particular, provides a cultural value system that places great emphasis on education, a secular world view, work discipline, achievement, and orientation, and the leading role of the government. In addition, because of the tense security situation since the end of the Korean War, military culture (in both its positive and negative aspects)

has played an important role in the country's economy and politics. Positively, military culture has resulted in the enhancement of organizational know-how among both the leadership and the general public, the uprooting of much of the population from its traditional agrarian setting, and the attainment of various skills and group discipline—factors that contributed enormously during the early stages of economic development. However, the combination of traditional and military cultures has also resulted in excessive dependence on interpersonal ties, a family-enterprise system, government-business collusion, a lack of transparency, failure to rationalize business structures, a bloated bureaucracy, and overregulation of the economy. All of these have contributed to corruption, monopolies and oligopolies, and the inefficient distribution of resources at the expense of competitiveness and timely globalization, thereby making the structures, practices, and policies inconsistent with the norms of the global market. A glaring example of South Korean problems has been the *chaebol* (conglomerate) system. Initially promoted and encouraged to emulate Japan's zaibatsu, the huge business group enterprises undeniably made a critical contribution to South Korea's initial economic success, as their size enabled them to handle large projects and invest in the technological research and development that allowed them to be competitive with large enterprises in other nations. But clearly they have also been a cause of the current financial crisis owing to their overexpansion, government-business collusion, irresponsible and excessive borrowing, and family-style business practices, which have adversely affected business openness and efficiency while weakening competitiveness. Unlike in Singapore, Asian values in South Korea have had as much of a negative effect on the economy in recent years as they had positive effect during the early days of economic development.

The South Korean paper offers a useful discussion of the economy-politics nexus. The initial period of economic development was aided and supported by a government that could appropriately be described as authoritarian. Economic development initially contributed to sustaining the authoritarian regime but in due course became a source of opposition to it. The eventual result was democratization, albeit by several years later in South Korea than a normal course of political development would have made possible, but nonetheless an inevitable and irreversible process. In the end, then, with the strength of economic success democracy has been achieved on a social soil of Asian values, which are not necessarily hospitable to such a system of government.

Another important point that the South Korean paper offers—a point that is also applicable to many other countries under study—relates to the politicization of foreign policy and foreign relations. There are generally two ways in which domestic politics play a critical role in foreign policy. The first is as a constraint, i.e., because of domestic public opinion and other political pressures the government can not pursue those policies that it considers desirable and necessary. The other is domestic politics as an incentive, i.e., a government or political leader pursues a particular policy regardless of its functionality because it enhances political position at home. To what extent this phenomenon—which, incidentally, can be found in varying degrees in most countries, Asian and non-Asian—is attributable to Asian values is unclear. But the fact that there is a correlation is undeniable. In Asia, politics, and especially foreign relations, are seen by political leaders more as a personal than a public affair. In the relative absence of other means of enhancing a leader's political popularity, foreign affairs become an extremely useful tool in playing domestic politics.

In conclusion, on the basis of the papers by scholars from various Asian and non-Asian countries it seems reasonable to argue that there is something which we can call Asian values. There is, however, variation between subregions and among countries within each of the subregions. In politics as well as in the economy, the role of Asian values has been both positive and negative. Oftentimes, value systems have been created and cultivated by political leaders, governments, and even nongovernmental actors. Whether Asian values have played a positive or negative role has depended largely upon which stage of political and economic development a particular country happens to be in, upon the way such values are selected and combined, and upon the dynamics among the various elements within the larger phenomenon called Asian values. Thus, it is impossible to predict what role Asian values will play in the future in politics, the economy, and international relations. As in the past, this will depend very much upon how each society and government applies the values to the challenges it faces, as well as upon the nature of those challenges.