

Asia in a Time of Change

Scientific and thematic priorities

Sub-activity under UTENRIKS

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1 Introduction

'Asia in a Time of Change' reflects three important change processes. Firstly, several Asian countries are implementing political, economic and social reforms and experiencing tensions that can have consequences for further growth and stability. Secondly, as a result of lasting high economic growth, several Asian countries now have a stronger influence on the global economy, climate issues, multilateral institutions and international security policy. Thirdly, China has become so powerful in relation to other countries in the region that this has changed interstate relations, not just in Asia, but also beyond the region. That Asia is undergoing rapid change has major ramifications for Europe and Norway.

A large proportion of the world's industry is now located in Asia, which has the biggest and fastest-growing markets, and the busiest trade routes. The EU's trade with Asia is much bigger than with the USA (EUR 1.4 trillion vs. EUR 1 trillion). As well as having a much bigger economy than any other continent, Asia is also where most of the military build-up in the world is taking place. Measured by purchasing power parity, China's economy has now surpassed both the USA and EU. Measured in nominal value, China's economy is expected to overtake the US economy sometime in the near future. In recent years, China has also become the world's second strongest military power, after the USA. Relations between the USA and China are now the most important bilateral relationship in the world. How relations between these two superpowers develop will increasingly dominate international politics, and have significant consequences for Norway and Europe. India, on its part, is expected to become the third largest economy in the world by 2030, which will increase the country's economic, political and security importance internationally.

Asia is also important seen from the UN's perspective. It was primarily because of the phenomenal economic growth in Asia that the UN's Millennium Development Goals were achieved to as large an extent as they were during the first 15 years of this century. China's growth had a significant effect on other countries and regions as a result of rapidly increasing trade. Chinese demand led to an increase in commodity prices, at the same time as the price of finished goods was strongly reduced. It is once again Asia that gives the UN reason to hope that the Sustainable Development Goals for the period 2015–2030 can be achieved. Asian countries are also major contributors to UN peacekeeping operations. It is more worrying that Asia accounts for a rapidly increasing proportion of the world's energy and commodity consumption, and greenhouse gas emissions.

Asia has great economic potential for Norway, both in the form of trade and Norwegian investments and in the form of Asian investments and tourism to Norway. The High North is particularly interesting to Asian countries and is especially important to Norway. Almost 20 per cent of the assets of Norway's Government Pension Fund – Global are invested in Asian securities or companies. Norway has intensified its political contacts and increased its diplomatic representation in Asia. Norway's relations with China have now been normalised, and Norway has strengthened its cooperation with the two other big Asian powers, India and Japan. Moreover, since 2017, Norway has had a dedicated ambassador to the Association of Southeast Asian Nations, ASEAN.

Norway has demonstrated engagement by supporting climate policy measures and assisting with peace processes in connection with several previous and ongoing armed conflicts in the region, such as Afghanistan, Sri Lanka, Nepal, Myanmar, Thailand and the Philippines. The way in which relations with India have developed is one example of how Norway's relationship to Asia is changing. The previous development cooperation has been replaced by closer cooperation on research, and

Norway now has a defence attaché stationed at the embassy in New Delhi. Asian countries' increasing engagement and influence in the UN and multilateral institutions is of great importance to Norway. Norway is launching an India strategy for the period up to 2030. It focuses on collaboration on a rule-based world order, energy, oceans, climate and the environment, while also emphasising research, higher education and collaboration on health.

1.1 What do we mean by 'Asia'?

While 16 per cent of humankind live in Africa, 14 per cent in America, 10 per cent in Europe and 0.5 per cent in Australia and Oceania, Asia alone accounts for 60 per cent of the world's population. That makes it problematic to compare the whole of Asia with other continents.

'Asia in a time of change' deals with Asia east of Iran. This means that West Asia (the Asiatic part of the Middle East) is not included in this programme. It will nonetheless be necessary to include projects where West Asia is part of a greater whole, for example the role of the Middle East in China's *Belt & Road* initiative. This also applies to Oceania, particularly Australia. The same applies to Russia. Despite the fact that a large part of Russia is regarded as part of Asia geographically, this programme will not include projects that analyse internal developments in Russia, not even east of the Urals. The programme could nevertheless include projects in which Russia is part of a greater whole, for example China's or Japan's relations with Russia. Correspondingly, changes in the USA's and the EU's Asia policy and relations with Asian countries (east of Iran) as a result of Asia's increased influence and changes in Asia will be relevant topics for the programme.

2 Background and purpose

Asia's increased influence in nearly all policy areas has changed Norway's need for expertise. Norwegian research on Asia has long largely depended on support from funds taken from traditional aid and development work. Among other things, this has made it more difficult to engage in research on countries that have undergone strong economic development, or on issues of major foreign policy importance that go beyond development, such as global competitiveness or security policy. Despite the fact that many countries in Asia are still low-income countries, it is no longer natural to see Asia solely from a development perspective, but more in combination with disciplines that are also relevant to foreign policy and security policy.

Nevertheless, where relevant, the programme will follow up the UN's Sustainable Development Goals in connection with issues such as extreme poverty, education, environmental sustainability and conflict resolution. By improving our understanding of and working on reducing the sources of conflict between countries, we can contribute to international stability, peace and prosperity.

'Asia in a Time of Change' underpins Norway's research policy and strategies. The Research Strategy for the Foreign Service and NORAD 2017–2024, which defines Asia as one of four priority areas, is an important reference document. China, India, global trade, Asia and the High North, and security policy in Asia are the priorities in the strategy in relation to Asia.

The main goals of the 'Asia in a Time of Change' initiative is to help to ensure that Norway develops research competence of a high international standard on a broad spectrum of topics that reflect Asia in a time of rapid change, what this means globally and, not least, what the consequences will be for

Norway. The quality of the research projects and their relevance to the national and international research front will be the decisive factors.

The research must be of a high quality. It should promote interdisciplinary cooperation across different academic disciplines, and it should take place in cooperation with internationally recognised scholars and research environments engaged in research on Asia, both in and outside the region.

The initiative aims to:

- strengthen and further develop research on Asia in Norway
- produce research of high quality that is relevant to decision-makers in the public administration, business and industry, organisations and the workplace
- promote research that is based on original language sources and data from the countries and regions of Asia, and that systematically develop new forms of interdisciplinary cooperation between the humanities, law, the social sciences and natural science
- develop long-term cooperation between Norwegian researchers, Asian researchers and scholars engaged in research on Asia in other countries
- create arenas for the recruitment of researchers and international research collaboration
- facilitate ongoing contact between researchers and users of the research.

3 Topics and the scholarly approach

The 'Asia in a Time of Change' initiative is part of the Research Council of Norway's UTENRIKS programme (international relations, foreign policy and Norwegian interests).

Through this expansion of the programme area, the Research Council wishes to support the development of Norwegian research communities' expertise in one of the most important growth regions in the world: Asia east of Iran.

The initiative also aims to increase contact at all stages of the research process between researchers and those who formulate and implement Norwegian foreign policy and represent Norwegian interests in Asia: the Ministry of Foreign Affairs and the embassies, the Storting, business and industry, NGOs, cultural institutions etc.

The initiative will focus on the following thematic areas as prioritised research areas. These thematic areas have been specified on the basis of the main thematic priorities in the UTENRIKS programme's work programme.

- Power shifts, peace and conflict
- Multilateral institutions and international regimes under pressure
- Economic growth and global competition
- Resources and the climate
- Systems of government, social and political change

The programme will not be limited to the issues mentioned in this document's description of the five thematic areas. The main purpose of this document is to encourage good, relevant applications focusing on either the issues raised in this text, or other important issues if they are considered to be important in order to understand important, contemporary trends in Asia and in relation to Norwegian foreign and global policy.

3.1 Power shifts, peace and conflict

China's rapidly growing position as an economic and military power is now the biggest change factor in international politics. China's new power is so great that it can have major consequences for global patterns of cooperation and conflict. In addition to a need for new insight into the power shift at the structural level of regional and international politics, and its consequences for interstate relations, several armed conflicts and rebellions are still ongoing in some countries and across national borders, and there are several reconciliation processes in the region that, each in their own way, require new and updated knowledge.

3.1.1 Power shift and stability

China's economic growth and military modernisation in the past two decades have led to a power shift the likes of which the world has never before seen – in peacetime. China's neighbours have been strongly affected by China's increasing power and presence. China's relations with the big Asian powers Japan and India, and China's partnership with Russia and Pakistan, have had global significance, not least for relations between China and the USA. This power shift in favour of Asia necessitates new research in several areas. How does this affect Norway and Europe's role in the region? To what extent does increased power lead to increasing nationalism and a more self-assertive foreign policy, and to what extent does it lead to Asian countries taking more responsibility for maintaining a multilateral world order? Will economic globalisation continue, or is there a development in the direction of a policy aimed at developing protected national or regional markets?

China's military modernisation includes intercontinental strategic missiles with nuclear warheads, a large number of land-based missiles and, not least, a rapidly growing air and naval power. China is devoting extensive resources to cyber and space research, as well as research on artificial intelligence, quantum technology and hypersonic platforms. It is important that Norwegian research communities have expertise in China's foreign policy, security policy and defence policy, and in how other Asian countries are responding to the Chinese challenge.

As a result of China's growth, the relationship between the USA and China is now the most important bilateral power relationship in the world. How does this affect foreign policy in relation to Russia and Europe? The USA's relations with a more powerful China can have major ramifications for its ability to fulfil its role in NATO, and for its relations with Russia, which is now China's most important partner. As an ally of the USA through NATO and a neighbour to Russia, Norway needs knowledge about how the power shift towards China affects our security.

The power shift has led to growing uncertainty about peace and stability in the region. China's integration into the international economy from 1979 onwards took place in more or less the same way as for the USA's alliance partners in the preceding decades: Japan, South Korea, Taiwan, Singapore, Indonesia, Malaysia and Thailand. The Asian 'tigers' had laid the foundation for regional development, which China endorsed. The long period of peace and economic growth from 1979 could be nearing its end, however.

The 'East Asian Peace' has been an important precondition for the region's economic emergence, but many conflicts remain unresolved. The Korean War has never been formally ended, and the country is divided. China is also divided by the Taiwan Strait. There are often incidents along the disputed border between China and India, and Russia and Japan have failed to reach agreement on the Kuril Islands. In addition, there are several overlapping claims to the continental shelf and the exclusive economic zones in both East China and the South China Sea.

China is challenging US influence and its presence in Asia. The USA has tried to respond by moving a large part of its navy to the region and strengthening its engagement. The two superpowers engage in extensive rivalry, and many states prefer not to choose sides and endeavour to keep in with both China and the USA. The power shift has led to a build-up of military capability in several Asian countries and triggered a discussion, not least in Japan and India, about changing their foreign policy. Japan is strengthening its alliance with the USA and is considering amending its pacifist constitution. India feels 'surrounded' by Chinese interests in Pakistan, from land in the Himalayas, in Myanmar and in the Indian Ocean, and it has become closer to the USA.

The rivalry between the big powers in Asia is increasingly also taking place in the economic sphere. China's Belt & Road initiative has led to concern among several big powers that China will increase its international influence. Both the USA and Japan are establishing partly competing infrastructure initiatives. To a greater extent than before, many actors are now linking economic interests and security policy interests. Big powers are increasingly willing to use economic instruments to achieve security policy goals, which can have a major impact on the rule-based world economy and significant ripple effects for small and open economies such as Norway's.

China's Belt & Road initiative and its increasing interests in India's traditional sphere of influence are creating closer links between South Asia, Central Asia and East Asia (and to some extent also West Asia and Oceania), both through increased economic cooperation and infrastructure development and through increased rivalry between the big powers. The Pacific Region and the Indian Ocean are gradually merging to form one large economic and geopolitical region, which many people in the USA, Japan and India are now calling *the Indo-Pacific*.

Democratic institutions in some countries are under pressure, and there are vulnerable post-conflict situations in Asia. At the same time, several countries are trying to strike a balance between China and India or China and the USA. The global shift in power from the USA to China and partly India and other Asian countries, is affecting development towards democracy in new ways. How does this affect the possibility of supporting human rights and democracy in these countries?

Stability in Asia is also being challenged by stronger identity conflicts, ethnic as well as religious. Knowledge about tensions of this type, and, not least, how different actors and countries utilise them, is important if we are to understand not only local conflicts within and between countries, but also more general challenges to stability, such as how efforts to promote sustainable ocean management are affected by power shifts.

3.1.2 Peace and reconciliation

The most important East Asian nations have developed strong states that are capable of repressing domestic opposition or removing the foundation for violent rebellion by developing a legitimate system of government. Together with civil control of the armed forces, this has led to fewer and less intensive armed conflicts. However, three East Asian countries, the Philippines, Myanmar and Thailand, still have internal armed conflicts, and the military still has a strong political influence in all three of these countries.

Central Asia has also managed to avoid serious armed uprisings against its authoritarian post-Soviet regimes, while South Asia has suffered from extensive internal warfare. The hardest affected countries in this respect are Afghanistan, Nepal and Sri Lanka, while Pakistan and Bangladesh have been politically unstable, with intense power struggles between different families and groupings. There are also ongoing armed conflicts in some of the poorest Indian states. Some of these conflicts

have provided and continue to provide fertile ground for terrorism. It is important to understand the forces driving the use of terrorism in political struggles and warfare.

Norway has been strongly involved in peace-making endeavours in several of the Asian countries that have experienced internal armed conflict, and Norwegian research communities have expertise on several of these countries. It is important that this expertise is maintained and further developed.

3.2 Multilateralism under pressure

During the period since World War II, interstate relations have increasingly been regulated through regional and multilateral institutions and international regimes. In Norway and Europe, there is a broad consensus that well-functioning institutions and regimes are necessary in order to deal with global challenges and create international predictability. Many institutions and regimes were established in the first few years after World War II, which thereby came to be dominated by western countries. This is now changing, and the footprint of the big Asian countries is becoming increasingly clear in multilateral institutions and international regimes, not least the incipient climate regime.

China is one of the five permanent members with a veto in the UN Security Council, and China, Japan, India, Pakistan, Bangladesh, Indonesia and Nepal have been and are major contributors to UN peacekeeping operations. The Asian countries play a key role in relation to many global issues, such as disarmament, the law of the sea, trade, climate, energy and resources. How these countries view the WTO and other forums will affect the world trade system and thereby Norway. UN Security Council reform is important to India, and the UN loses some of its relevance for the country when such reform consistently fails to materialise.

The last two decades have seen a rapid increase in regional discussion and cooperation forums in Asia, but the region still lacks closely intertwined institutions like NATO and the EU. In recent years, China has taken the initiative for new regional and multilateral institutions. It will be important to follow their further development.

3.2.1 The UN, institutions and international regimes

Given that Asia has 60 per cent of the world's population, it is surely anachronistic that only one Asian country (China) is a permanent member of the UN Security Council, while Europe has three permanent members (Russia, France and the United Kingdom). China has contributed to blocking Japan and India as permanent members, however. China has increased its engagement in the UN and its agencies, and it can be expected to increasingly endeavour to shape institutions and regimes more in its own favour.

China and other Asian states' respect for and utilisation of international agreements, conventions and institutions is an important research field. We need research on particular regimes, such as the disarmament and non-proliferation regime, the sovereignty principle in international law, human rights, agreements and conventions on climate and the environment, the law of the sea and the global trade regime.

China, but also India, is now establishing an increasing number of regional institutions. It is important to carry out research on the intentions behind and consequences of these new institutions, particularly in connection with China's Belt & Road initiative. Do these institutions help to fill a

vacuum and offer public goods that are not otherwise available, or do they compete with existing institutions and regimes?

Disarmament and non-proliferation. There are four nuclear powers in Asia: China, India, Pakistan and now also North Korea. In addition, as nuclear powers, the USA and Russia both play a role in security policy developments in the region. We need research on how the Asian countries view the non-proliferation agreement and possible measures to reduce the military build-up in the region.

National sovereignty is one of the fundamental principles of international law. While the USA and European countries have shown willingness to intervene in other countries when they commit serious abuses against their own population, several countries in Asia have stuck to a more conservative interpretation of the principle of national sovereignty. At the same time, a development has taken place, also in Asian countries, in relation to China's attitude to protecting its own interests abroad.

Human rights: Most Asian countries have committed themselves to complying with the core conventions on human rights (HR). Serious human rights violations take place in a number of Asian countries, however, and these violations are increasingly committed against ethnic and religious minorities. The situation for ethnic minorities in Myanmar is one example. Studies are needed of the political and cultural aspects of human rights violations. Projects that examine Norway's and other countries' human rights engagement vis-à-vis Asian countries, including human rights dialogue, will also be interesting.

Climate and the environment:

The UN and its many agencies play a key role in global environmental management, both as arenas and as actors. Asian countries have undertaken to comply with the UN's environmental agreements and conventions on climate, biological diversity, ozone, and mercury and chemicals. They play a central role in the attainment of the UN's Sustainable Development Goals. Research is needed on how Asian countries contribute to the development of global agreements/regimes, on what drives their decisions, on conflicts of interest within individual countries in the climate and environmental field, and on their endeavours to create a competitive 'green' economy.

The United Nations Convention on the Law of the Sea (UNCLOS) is one of the most important international regimes. The law of the sea rests on striking a balance between the rights of coastal states and freedom of movement at sea. This balance is being challenged in Asia, both through conflicting interpretations of the law and through the use of force. Several countries have overlapping zone claims relating to disputes about sovereignty over small islands. China's building of artificial islands in the disputed Spratly area is a new development. Research is needed that reconciles an understanding of the power politics aspects with the legal aspects of these conflicts.

Bretton Woods and the global finance and trade regime:

The Bretton Woods Conference in 1944 founded The International Bank for Reconstruction and Development (IBRD) (now part of the World Bank) and the International Monetary Fund (IMF), setting out rules and procedures for regulation of the for the international finance system. Japan has long played a key role within this system, and China and India have increased their engagement. Moreover, in the wake of the financial crisis, the G20 cooperation forum, in which five Asian countries participate (China, Japan, South Korea, India and Indonesia) has gained increasing influence. All the big Asian economies are members of the World Trade Organisation, which has given them access to western markets and investment. However, the failure to achieve results in the last round of negotiations has led to an increasing number of bilateral and regional free trade agreements. While the USA under Obama was eager to establish the Trans-Pacific Partnership (TPP),

without China, where the main focus was to be on trade in services and financial transactions, China entered into negotiations for a more traditional regional agreement on tariff-free trade in goods (Regional Comprehensive Economic Partnership, RCEP) with ASEAN, India, Japan, South Korea, Australia and New Zealand. When Donald Trump took over as president of the USA, he shelved USA's participation in TPP, but the project was continued with other countries in parallel with RCEP. In 2018, the USA embarked on what can potentially become a trade and currency war with other countries, especially China. Research on the consequences for growth, cooperation and stability of the Asian countries' trade policy, and the ongoing trade war between China and the USA will be of interest.

3.2.2 Regional institutions in Asia

The most developed regional organisation in Asia is the Association of Southeast Asian Nations (ASEAN). It has helped to avoid armed conflict between its member states and it has developed a consensus culture and a policy of non-intervention in other member states' internal affairs. Moreover, ASEAN has laid the foundations for an extensive free trade area and has established a series of institutional frameworks for summit meetings and discussions between South East Asian countries and other countries in Asia, America and Europe, such as ASEAN+3 (China, Japan, South Korea), Asian Regional Forum (ARF), East Asian Summit and Asia-Europe Meetings (ASEM), where Norway also participates.

The South Asian Association for Regional Cooperation (SAARC) is a looser association. It is a challenge that India's dominant role in South Asia leads to scepticism in the other countries. The antagonistic relationship between Pakistan and India has prevented regional rapprochement in South Asia to an even greater extent than the historical conflict between Japan and China has done in East Asia. Attempts at regional collaboration in South Asia and around the Indian Ocean are complicated, among other things because of relations between India and Pakistan, but the development is interesting in relation to solving joint challenges, open seas, détente and preventing conflicts that also affect Norway. IORA, SAARC, BIMSTEC and ICIMOD are among the organisations that countries in the region are endeavouring to develop.

ASEAN has established a number of arenas for discussing security policy issues, with ASEAN Regional Forum (ARF) and Asian Defence Ministers Meetings (ADMM-Plus) being the most important, but Asia does not have a defence alliance corresponding to NATO. The USA's alliance system is based on bilateral agreements with Japan, South Korea, the Philippines, Thailand, Malaysia and Australia, and a system of advanced bases in Japan and South Korea. China has not wanted to enter into mutually binding alliances, but has focused instead on strategic partnership agreements, the most important of which are with Russia and Pakistan. India, on its part, has pursued a policy of non-alignment that is now under pressure because of China's growth.

Shanghai Cooperation Organization (SCO), comprising China, Russia and the four Central Asian republics, has admitted India and Pakistan as full members, and several other countries have observer status. SCO has contributed to increased respect for national borders in Central Asia and to close cooperation on anti-terrorism, but it is unlikely to play an important security policy role. The three leading economies in North East Asia – China, South Korea and Japan – have still not established any institutional cooperation.

While ASEAN, through ARF and ADDMM-PLUS, has been a particularly important arena for the big powers, questions are now being raised about whether the increased rivalry between China and the

USA can be an obstacle to further development of the role of regional institutions. The development of alliance patterns and institutional cooperation in Asia is an important research topic.

3.3 Economic growth, development and global competition

The combined gross domestic product (GDP) of the three biggest economies in Asia – China, Japan and India – is greater than the USA's GDP, and bigger than the EU's combined GDP. In addition, both South Korea and Indonesia have large enough economies to qualify for membership of the G20. In other words, changes in economic growth in Asian countries are of great significance to the international economy. There are big differences in economic growth between countries in Asia, however. There are also differences in terms of distribution, where some countries have a relatively equitable distribution of growth and prosperity, while large social inequalities have emerged in other countries. The big differences between countries in terms of growth and social inequality raise important questions about the effect of different development models.

While some countries in Asia are still low-income countries with a large agricultural sector and/or labour-intensive industry, other countries have quickly climbed the value ladder and now compete with the USA and Europe in high-tech segments. It is important to understand how Asian countries have achieved strong competitiveness in certain sectors, and what role research, international cooperation and economic policy (open markets or protectionism and protection of domestic industries) have played. China in particular, but also Japan, South Korea and now also India, account for an increasing proportion of the world's foreign direct investments. It is important to understand what consequences these investment patterns have for growth, competitiveness and distribution.

China's role as an agent for development is also of particular interest. This applies in particular, perhaps, to China's big foreign policy signature project, the Belt & Road Initiative (BRI), which has become the common denominator in a long line of projects endeavouring to establish infrastructure and political bonds between Beijing and the world. In reality, the BRI comprises a large number of different bilateral relationships and, in terms of its content, is linked to different cooperation formats, most prominently in Asia itself.

3.3.1 Economic growth, technology and development models

The differences in economic growth and systems of government in Asia make for interesting studies of the effect of different development models – from market capitalism to state capitalism models – and evaluations of what provides the best foundation for economic growth, in both Asia and other regions. Moreover, several countries in Asia are making important contributions to innovation and the development of new solutions to technological, economic and social challenges. Research on and cooperation with innovative Asian knowledge communities could boost innovative resources in Norwegian institutions.

Several countries in Asia are about to make the transition from medium-income to high-income countries, which often entails restructuring from an economy based on the production of raw materials, exports and industrial production to an economy that is more dominated by innovation, technology and green growth. These are demanding processes, not least because many countries in

Asia must restructure faster than was the case in Europe. Labour markets and working conditions that previously provided fertile ground for economic growth are now changing. Workers' demands for decent work and inclusive growth are high on the national and global agenda, together with an increasing focus on corporate social responsibility. The efficient, inclusive and sustainable restructuring of economies requires restructuring of political control mechanisms, markets, labour and investments, as well as participation in global value chains, in order to avoid becoming stuck in what is known as the 'medium-income trap'.

The biggest economies in Asia now have a strategic focus on technological development and digitalisation. Both through state-funded research and innovation communities and under the auspices of private companies, we have seen the rapid development in Asia of technology and digital shopping and payment solutions, media platforms and services that are now among the most used in the world. Companies from China, India, Japan and South Korea are important players in telecommunication and digital services, including social and digital media.

The huge technological change and the digitalisation that is taking place in Asia has consequences on different levels. These changes can lead to binding ties between new markets and create new arenas for development, but they also affect societies and people. Increasing use of artificial intelligence and more robotisation in production chains changes conditions in and between labour markets. A large workforce and access to cheap labour are no longer such a competitive advantage in relation to economic growth. A situation where labour markets and employment are changing means new requirements for highly educated labour, and technological developments can lead to unequal growth and unequal participation.

The differences between China and India exemplify how competitive advantages such as cheap labour, technological development and digitalisation can have different consequences in different countries. China opened up its economy from the end of the 1970s, at the same time as globalisation started, and it achieved lasting high growth based on labour-intensive industry. Since then, China has succeeded in climbing the value ladder and is now in a relatively good position to play a key role in the age of digitalisation. India entered the global economy later and, even though the country has many technology companies, it can be demanding for India to benefit from its huge labour surplus because global value chains are now driven by technology and digitalisation to a greater extent than they used to be.

Moreover, new technology and digitalisation open for new forms of surveillance and the storage of sensitive information. It will be important to carry out more detailed analyses of which socioeconomic and political conditions best facilitate technological development and innovation, both nationally and globally.

At the same time as many Asian countries are enjoying high economic growth and rapid technological development, most of the countries in the region are facing major challenges relating to social security and large demographic changes. People are living longer and fewer and fewer children are being born. Both economic differences and aging make it challenging to develop social security and welfare systems. Tax systems and redistribution schemes work in different ways in different countries. How pension commitments and rising health expenses are to be covered is a common problem, and how some countries choose to deal with such challenges can, in turn, affect development in other countries. Designing sustainable welfare systems in low and medium-income

countries with high population density and an aging population will be important to understanding future development.

Who has access to basic welfare schemes, how they are organised and what trust in/perception people have of these schemes will affect social and political conditions in all countries. Inequality, and differences in rights and access to social security can be seen as unjust and provide fertile ground for political mobilisation, also across Asian countries. The ability and willingness of states and the authorities to place social and economic inequality high on the agenda will be important in relation to future changes in Asia, as regards economic, political and social development. So far, there has been little labour migration between Asian countries, but if this changes, it could be an important issue because of the region's large population.

3.3.2 Urbanisation and new middle classes

So far, there has been little labour migration between Asian countries, but many Asian economies increasingly rely on importing cheap labour from abroad. This type of migration is growing, despite difficult working conditions and limited access to welfare benefits. Going forward, it will be important to monitor how migration affects economies, social structures and regional collaboration.

Although migration between countries has been limited so far, there is large-scale internal migration in many countries. Today, Asia is home to well over half of the world's urban population, as well as an increasing number of the world's 'megacities'. Migration to big cities leads to major changes in the composition of the population, the labour market, the economy and the environment. It also poses challenges relating to, for example, pollution, poverty and crime, welfare schemes, urban development, and social and economic inequality. How Asian countries manage and respond to urbanisation is important to their development, and there are big regional variations. While some cities are trying to limit migration from rural areas, others are concerned with building sustainable infrastructure and 'smart cities' to handle a rapidly increasing population.

Economic growth and urbanisation have led to bigger middle classes in many Asian countries.

The emergence of a middle class changes expectations of the system of government and affects consumption patterns, which, in turn, has consequences for the local and global economy, and for sustainability. It is important to increase our understanding of the social, cultural and economic factors that affect the actions and motivations of emerging groups in society.

3.3.3 Global competition

Most Asian countries are closely integrated in global value chains that tie countries, areas and companies together, and these countries have therefore become important economic actors, including for Norway, in many sectors. Changes to the role played by Asian countries in these value chains are very important. While China, for example, has previously been a major exporter of labour-intensive goods, some of this industry is now being moved to other countries in Asia and to other regions. Moreover, China has for many years been the world's biggest consumer of minerals and other raw materials, which has contributed to pushing up commodity prices. However, this can change as China climbs higher up the value chain and the country's imports of raw materials are reduced.

Investments by Asian companies in other parts of the world, and especially Chinese companies, have been increasing rapidly for several years. While, in the 1990s and early 2000s, China largely invested in developing countries, it now mainly invests in the USA and Europe. Japanese companies created strong global brands early on, and South Korean companies have later followed suit. Chinese and Indian companies are now succeeding with the same strategy, both through their own innovation and by buying up foreign companies.

Moreover, several Asian countries, especially China, Japan, South Korea and India, are becoming increasingly important actors in poor developing countries – regionally and globally. China's involvement in Africa is the most obvious example. This has economic, social and political dimensions that it is important to understand, not least from the perspective of Norwegian interests in aid and sustainability. The problems that arise from China's new position of power as a result of the country's growing market dominance are also important from a broad security policy perspective.

An important research topic will be how Asian capital affects markets and actors in other parts of the world, in both developing countries and more mature markets. A related topic is whether Asian countries promote free trade and allow their companies to compete on equal terms, and to what extent they will pursue a competition-distorting and/or protectionist policy in the form of subsidies, incentives, customs duties and taxes domestically, or through trade agreements and favourable loans. To what extent are Asian countries willing to use sanctions, and how open are their research and innovation communities to international cooperation?

3.4 Climate, the environment and resources

Climate change, and environmental and energy challenges are global issues that necessitate international cooperation. Asia is facing major climate and environmental challenges, resources are scarce, and many of the most polluted cities in the world are in Asia. The environment and climate will play a central role in Norway's future relations with Asia and will be important areas for cooperation going forward.

The effects of climate change are being felt globally, and countries in Asia are among the most vulnerable. In addition to the reduction of greenhouse gas emissions, vulnerability and adaptation have become increasingly important, since climate change has big economic and social consequences. The ocean level is rising, and low-lying, congested coastal cities in many countries are at risk. Natural ecosystems act as important buffers against flooding and extreme weather conditions and must therefore be protected and preserved. The UN Climate Panel has warned that 20–30% of the Earth's species are threatened with extinction as a result of climate change, which also reinforces the effect of even more serious threats against biologic diversity, such as pollution and changes in land use. The UN's biodiversity panel (The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services – IPBES) states that biological diversity is severely threatened, and that, among other things, fish stocks are expected to be depleted within 30 years. However, endeavours to prevent the loss of biological diversity will also improve climate change preparedness, although ill-considered climate measures can in themselves increase the pressure on biological diversity through plantations and bioenergy production. Deforestation and forest rehabilitation are important issues in many Asian countries, especially Indonesia, which is one of the main partner countries in Norway's International Climate and Forest Initiative.

Access to clean energy is a challenge for many countries in Asia, where coal accounts for a large part of the energy mix. Coal pollutes and makes air harmful to health – it is estimated that almost six million people die every year because of its harmful effects, with India, China, Pakistan and Bangladesh topping the statistics. Water, soil and the oceans are being polluted. The oceans and fisheries are affected, and the management of living marine resources is experiencing major challenges, including from marine pollution, particularly discharges from land. People are increasingly demanding that political leaders take measures to ensure clean water and air, and safe food. The increasing standard of living in Asian countries is also leading to higher consumption, and cities in Asia are struggling with problems due to a strong increase in solid waste. Pollution of the oceans (littering, acidification, increased ocean temperature) is high on the international agenda, and it is one of the focus areas for Norway's collaboration with Asian countries. Plastic pollution is a particularly big problem in South East Asia. The problems are closely related to waste management and general governance challenges in and between countries.

At the same time, climate change will make agriculture and food production in the region both more difficult and more expensive. In some countries, the rice harvest could be reduced by up to 50 per cent by 2100 unless adaptation measures are implemented. The number of climate and environmental refugees is expected to increase strongly in the years ahead due to droughts, flooding and natural disasters, which, in turn, can lead to conflicts and struggles for resources. Awareness of climate vulnerability is increasing. At the same time, however, countries see opportunities for increased economic activity and the exploitation of resources in the Arctic, and interest in the region is growing, not least because of future needs for energy and natural resources. Increased energy needs in Asia affect global energy markets and oil and gas.

Through the 2030 Agenda and the UN's Sustainable Development Goals, as well as the Paris Agreement from 2015, states in Asia have committed to a number of climate and environmental goals. Global and interdisciplinary cooperation on research on goal attainment is crucial.

The programme will focus on the following thematic areas:

- Resources in Asia under pressure
- The green transition: environmental and climate policy, nationally and internationally
- The authorities, local communities and environmental activism

3.4.1 Resources in Asia under pressure

Asian countries are rich in resources. At the same time, they are under pressure because of high population growth, rapid industrialisation, the destruction of natural areas and the growth of big cities. One challenge in many countries is the scarcity of fresh water as a result of climate change and pollution. Pollution of freshwater sources makes water unfit for human consumption, and polluted rivers and lakes lead to fish death. Water consumption in the region is increasing with population growth, economic development and changed consumption patterns. Floods, droughts and erosion have consequences for agriculture, and thereby for the food supply. Reduced fish stocks in coastal waters and increasing demand for fish are intensifying the struggle for marine resources. China has the world's biggest fishing fleets. It operates in other countries' territorial waters or on the open sea. Deforestation in Asia is assumed to be the highest in the world and it is contributing to climate change. Large areas of rain forest in Indonesia and Malaysia are being felled to produce paper and palm oil, with India and China being the biggest importers. With its limited forestry resources and

large demand, China is contributing to the destruction of forests and illegal logging in Myanmar, Laos and Vietnam. Research is needed on topics relating to scarcity of resources in Asian countries, how this is affecting the region and relations between countries, whether they can lead to conflicts and what possibilities there are for cooperation both within and between the countries in the region.

3.4.2 The green transition: environmental and climate policy, nationally and internationally

Norway has set itself the goal of being a driving force for sustainable global environmental and climate policies. In recent years, big countries like the USA and Russia have shown little willingness to take the lead in the efforts to reduce global greenhouse gas emissions. The USA has withdrawn from the Paris Agreement, while the EU and several large developing countries have stood by their climate commitments. Countries in Asia are contributing strongly to the large greenhouse gas emissions. China is the biggest contributor to carbon emissions because of the large proportion of coal in its energy mix. It accounted for 28 per cent of global emissions in 2016. India's emissions are rapidly increasing. The countries in Asia are needed as key actors in global climate policy.

Research on the role Asia will play in the work on achieving the Sustainable Development Goals and the goals of the Paris Agreement will be important. What obstacles exist to an effective environmental and climate regime in Asia? How is climate policy being affected by the new situation that has arisen now that the USA has withdrawn from the Paris Agreement? What new alliances are possible?

The green transition is a key topic for many countries in Asia. Renewable energy solutions are on the increase in many countries, for example China and India. Major changes to the energy structure, restructuring of industry and technological solutions are key components if we are to achieve the goal of reduced carbon emissions. Increasing the proportion of renewable energy is perhaps the biggest challenge associated with the green transition. The authorities and especially the urban middle classes are becoming increasingly aware that the traditional growth model based on access to cheap energy (mostly coal) is not sustainable. At the same time, however, many countries in Asia are in a development situation where reducing poverty and economic growth are given priority, which can result in a conflict between the environment and the economy. Nuclear power is being considered as an alternative to fossil fuels despite the nuclear disaster in Fukushima in Japan in 2011. Japan is in the process of exporting nuclear technology to other countries in Asia, including India and Vietnam. Research is needed that compares climate policies in different countries.

Asia's role in the international energy market is growing, and research is needed on how this will affect market developments and availability in our part of the world. So far, too little attention has been paid to how Asian countries can exploit their ocean resources (blue economy) in a sustainable manner. Some countries in Asia have come further with the green transition than others, and there are opportunities for cooperation and learning in the Asian markets. Research on how countries learn from and cooperate with each other could prove very important.

3.4.3 The authorities, local communities and environmental activism

Policy formation and implementation require cooperation and understanding between many different actors and agendas, such as the government administration, the business community, academia, non-state interests (civil society/NGOs) and think tanks that influence policy. Research is needed on how climate and environmental policy is designed and on what actors have the greatest influence. Research should endeavour to understand obstacles to and the driving forces behind green transition initiatives.

There is also a need for research on how policy is implemented, how people in Asia are adapting to climate change and environmental problems, and how they are affected economically and in health terms by changes in agriculture, the food supply and access to drinking water, and by migration and changed social relations. It is important to map the main viewpoints in the public debate about climate and the environment in Asian countries, and how, e.g., religions and philosophical traditions and changes in the media landscape affect the debate.

3.5 Social, political and ideological change

Asia comprises highly varied political systems and social structures, many of which are undergoing change. Rapid economic growth and urbanisation, changes in the composition of the population, increased access to education and better health are leading to social changes. Nearly all Asian countries east of Iran have experienced a significant increase in life expectancy. In both urban and rural communities, some groups are faring well, while others are marginalised. Especially women's position in some Asian societies is changing. Economic development, political unrest and environmental changes are leading to internal migration and sometimes also to migration across national borders, although the rich countries in the region have been restrictive about granting permanent residence.

New and reasonable mobile and digital products have made extensive exchange of information and opinions possible, which can lead to mobilisation along new and old dividing lines and new forms of group identification. Change is taking place at a varying pace and with varying effect among different countries and groups in Asia. New and old alliances are evolving, new and old rivalries are coming to the surface and forming the backdrop to mobilisation and action, by both the authorities and groups further down the social hierarchy. In order to understand the transitions Asia is facing, it is of fundamental importance to study the changes and the reasons for them.

3.5.1 Power and opposition

A higher level of education and participation by more social groups, linked together by available digital communication tools and services, facilitates an increasing degree of formal and informal organisation in civil society – here broadly defined as organisations not directly controlled or financed by the state.

Many forms of organisation have a potential to achieve political and social influence. Individuals and groups who perceive that their interests are under threat or are being thwarted by competing social groups or the authorities resort to different forms of activism. Mobilisation can take many forms. Local protests often stem from concrete, local conditions relating to pay and working conditions. Broader mobilisation is often linked to political demands for influence and self-determination.

Ambitions for change can concern local conditions within the existing social structure and culture, new political priorities or fundamental changes of the structure of the state and the regime.

Both those in power and opposition groups seek the support of established and emerging groups. Which strategies they pursue and what response they meet can have major significance for the development of countries and regimes. In some countries, co-optation into the established machinery of power works, while in others, the response is censorship, repression and the use of force. More or less well-functioning legal systems and legal cultures can play an important role.

Insight into the development of political participation, representation and mobilisation is essential if we are to understand the ongoing changes in Asia, at both the national and regional level.

3.5.2 Ideological change

Asia is a patchwork of ideological, religious and philosophical traditions and schools of thought. This applies to both democratic and authoritarian regimes. Nationalistic attitudes are strongly entrenched in many population groups and both incumbent regimes and their opponents can exploit public sentiment and individual incidents in their own favour. School textbooks, traditional media and new forms of communication can be used to spread both messages that exacerbate conflict and messages that reduce conflict. Popular culture, such as literature, films, music and television series, are both more accessible and more fragmented than before.

At the same time, socioeconomic, political and environmental changes are challenging established world views, ideologies and interpretations. Socialism in its Chinese version and Indian politicians' ideas about liberal democracy are being challenged because inequality is increasing and new social groups are making themselves heard. Incumbent regimes are seeking old and new ideas to legitimise themselves. The opposition to such regimes also seeks interpretations that can mobilise broad support in their struggle against the regime. One clear trend over time has been an increase in ideologies that combine variations on nationalistic or populist messages with old religious, philosophical and moral principles, language or other expressions of cultural belonging. This happens in both majority and minority groups and it can contribute to heightened antagonism within states (such as Indonesia), and increased antagonism between countries (such as Korea and Japan).

At the same time, however, secularisation is a clear trend in many societies, and new marriage patterns and authority structures indicate that significant changes are affecting individuals, societies and systems of government.

3.5.3 Systems of government, democracy and rights

Asian countries have many different types of regimes, ranging from absolute monarchies (Brunei) and authoritarian states (China, North Korea, Vietnam, Laos) to relatively stable democracies (India, Japan, South Korea, Taiwan,). Regimes have many strategies for ensuring their own legitimacy, such as democratic elections, an emphasis on development and results, and populist rhetoric based on ethnic and religious interpretations and 'public enemies', as we see, for example, in Myanmar.

After several decades of gradual development in the direction of a more democratic system of government, we have in recent years seen a diametrically opposite trend towards more authoritarian government. Democratic principles and individual human rights are under strong pressure. New

digital technology is being used to develop effective police states with access to all kinds of information about their inhabitants. This development threatens both universal and political rights relating to elections, freedom of expression and free debate, and minority rights that are intended to protect ethnic, sexual, religious and other minorities against discrimination.

In many Asian countries, corruption is widespread and takes different forms. According to Transparency International's assessment in 2017, Afghanistan, North Korea, Cambodia, Bangladesh and Laos are among the most corrupt countries in the world. In South Korea, the incumbent president was forced to resign in 2017 because of a big corruption scandal and, in China, there is an ongoing major anti-corruption campaign targeting all parts of the government administration. Corruption affects economic, social and political conditions and can have consequences for local communities as well as foreign companies trying to establish themselves in the region.

Over large parts of Asia, the authorities are trying to increase their own and limit the population's access to sensitive information. New technology and social media both promote and limit the possibilities of participating in free debate. The ability of the courts of law and the legal system to withstand varying degrees of political pressure, and the ability of legislatures to propose and pass laws that are adapted to today's social and technological changes, are crucial if individuals and groups' due process protection is to be safeguarded. Many people want to see Norwegian and foreign companies taking more responsibility for the development of countries and regions where they have a strong presence. Corporate social responsibility is important in this context.

Our understanding of human rights as universal and valid across cultures and systems of government is being constantly challenged, and many people talk openly about a 'Chinese model' for development that other countries can imitate.