



China's Emergence and its Impact on the  
United States, the Republic of Korea, and  
Japan:  
Views from the Next Generation



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## **Pacific Forum CSIS**

Based in Honolulu, Pacific Forum CSIS ([www.csis.org/pacfor/](http://www.csis.org/pacfor/)) operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, DC. The Forum's programs encompass current and emerging political, security, economic, business, and oceans policy issues through analysis and dialogue undertaken with the region's leaders in the academic, government, and corporate areas. Founded in 1975, it collaborates with a broad network of research institutes from around the Pacific Rim, drawing on Asian perspectives and disseminating project findings and recommendations to opinion leaders, governments, and members of the public throughout the region.

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## Foreword

The Pacific Forum CSIS organizes and promotes regional security dialogue aimed at addressing and hopefully ameliorating East Asia security challenges and concerns. We regularly host conferences and seminars with like-minded institutes throughout the U.S. and Asia to explore contentious issues, share ideas, and build networks of individuals and institutions that can influence regional policy-makers.

More and more, a common theme has emerged during our discussions: namely, the impact of generational change, especially in democratic societies, where the post-World War II/Korean War and colonial-era generations are being replaced by more nationalistic, less patient societies more focused on the future and less captured or controlled by the past. As we look around our conference tables, however, we are confronted by a troubling fact: while a great deal of time is spent analyzing the new generation, few of its members are present at such gatherings. This is disturbing on two counts. First, it deprives these individuals of interaction with more experienced experts and analysts. Second, our discussions lack the insight of the younger generation, views that are becoming increasingly important, and increasingly divergent from those of their elders. The gap is especially evident among young professional women who are even less integrated into international policy debates than their male peers.

To help remedy this situation, the Pacific Forum CSIS founded the Young Leaders fellowship program in 2004, with the support of grants from the Freeman Foundation and the Hawaii-based Strong Foundation, plus in-kind support from the CNA Corporation's Center for Strategic Studies. The program's objective is fostering education by exposing Young Leaders to the practical aspects and complexities of policy-making, while also generating a greater exchange of ideas between young and seasoned professionals, thus promoting cross-cultural interaction and cooperation, and enriching policy research and dialogue.

We hope the Young Leaders program will provide an extraordinary opportunity for networking and training for young professionals from the U.S. and Asia who would otherwise have only limited opportunity to be involved in senior-level policy research and debate. We believe this program provides unique benefits and opportunities not only to the upcoming generation, but to the deliberations of their senior colleagues as well.

Ralph A. Cossa  
President, Pacific Forum CSIS

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The Pacific Forum CSIS would like to thank the Freeman Foundation and the Hawaii-based Strong Foundation for their support for this program. We are also grateful to the CNA Corporation for its assistance.

The Pacific Forum CSIS would like to especially thank the New Asia Research Institute in Seoul, the Research Institute for Peace and Security in Tokyo, the China Institute for Contemporary International Studies in Beijing, and the American Center of Fudan University in Shanghai, and the Asia-Pacific Center for Security Studies for their collaboration on these projects.

The views expressed here represent personal impressions and reflections of the Young Leaders program participants; they do not necessarily represent the views of the U.S., Chinese, Japanese, or South Korean governments, or the co-sponsoring or parent organizations and institutes.

## Introduction

This volume is the first in a continuing series of reports capturing and disseminating the views of future generations of young security professionals on issues affecting regional peace and stability in East Asia. It contains the assessments and personal viewpoints of young specialists and scholars who participated in three Pacific Forum CSIS conferences during 2004 as part of the Forum's Young Leaders fellowship program, which involves up-and-coming young security analysts and policy-makers in regularly scheduled Pacific Forum deliberations.

We believe there is much to be gained by them as well as by us, in involving the next generation in today's security deliberations. In much of Northeast Asia, the generational change that is taking place is marked not only by changes in the political realm, but within societies as well. The shift of power and influence from one generation to another is being shaped by history, technology, trade (and its resultant wealth), and global events. There is a growing gulf in Northeast Asia between generations, marked by profound cultural differences.

New leadership, in many cases separated from the older generation, is now moving into positions of power. Generational change has begun to alter the political and cultural landscape. For example, in China, the fourth generation of leaders is largely non-Soviet educated. This generation was the youth vanguard during the Cultural Revolution. While many believe they will be more flexible and forward looking, some analysts have suggested that they will be more likely to avoid radical change, including any reform measures that might otherwise profoundly challenge the status quo. How they will relate to the next generation, shaped by the events in Tiananmen and by the Internet, remains to be seen.

Meanwhile, in South Korea, the 386-generation is the first with no experiential memory of the Korean War. To them, the Kwangju riots are a more defining moment, as was the historic North-South summit of 2000. This affects how they view their history and their relationship with Washington. In Japan, the current postwar generation of leaders is inclined to carve out a more significant international role for Japan in the region as well as in the world. The younger generation differs from previous ones in its desire to increase Tokyo's role in international security affairs, in keeping with the rights and responsibilities of a "normal" nation.

In analyzing events in all three countries and in the region more generally, it is vital that the views of the next generation be incorporated and addressed. The Pacific Forum's Young Leaders program represents a modest step in addressing this need.

## About the Young Leaders program

Prompted by the absence of young scholars at policy conferences on Asia security, in 2004 the Pacific Forum founded the Young Leaders fellowship program, with the support of the Freeman Foundation, the Hawaii-based Strong Foundation, and the CNA Corporation. The program aims at exposing Young Leaders to the practical aspects and complexities of policymaking, while also generating a greater exchange of ideas between young and seasoned professionals. By providing Young Leaders with an extraordinary opportunity for networking and on-the-job training, this program provides unique benefits and opportunities not only to the upcoming generation, but to the deliberations of their senior colleagues as well.

The primary objective of this project is to develop a network of as many as 100 Young Leaders, who will have participated in multiple events during an initial three-year period. The continued participation of Young Leaders over several years will maximize the benefit of the experience by enhancing their comfort and skill level in the dialogue setting, provide the opportunity for personal connections with other Young Leaders and senior experts, and act as a proving ground for testing ideas and building confidence. It is this continuing participation that is key to differentiating our program from educational exchange programs offered by other institutions.

To find promising candidates, we have asked our partners and other experts to help us identify talented young professionals. Prospective candidates are requested to submit their resume for consideration. Upon admission to the program, Young Leaders who are selected to attend a particular Pacific Forum conference are expected to submit an essay before the conference that discusses how their attendance will be beneficial to their current research and how the policy issues being discussed are relevant to their own country. These papers are distributed to other participants, discussed (along with the conference itself) at a Young Leaders wrap-up session at the conclusion of each meeting, and then critiqued by senior scholars. The final versions of papers prepared during three 2004 conferences have been compiled in this volume of *Issues & Insights*.

Prior to the opening session of a given conference, participating Young Leaders are formally introduced to the program at the Young Leaders' opening meeting. At this venue, they have the opportunity to field questions about the program objectives and the conference, an early opportunity to meet other program participants, and they receive copies of all conference material, including copies of the essays submitted by their counterparts.

While normally listed as observers, the Young Leaders are encouraged to fully participate in the discussion and to raise questions and express their views to both senior participants and their peers. Senior participants are also encouraged to share their ideas and experience with the Young Leaders during conference breaks and meals, in an effort to spark dialogues and an exchange of ideas across generations. Following the close of the conference, the Young Leaders attend a special seminar with several selected senior policy experts where they discuss their impressions of the conference and where their



essays are vetted. The Young Leaders then submit a revised essay that reflects their impression of the conference as well as new insights they have formed as a result of it.

### **Young Leaders Seminar, Maui, April 2004**

The Pacific Forum CSIS and New Asia Research Institute conference on “Managing U.S.-ROK Relations with China” in April 2004 was Pacific Forum’s first opportunity to fully integrate the Young Leaders into its conference program. A dozen Young Leaders from South Korea, China, and the U.S., participated in this meeting in Maui.

Much of the conference focused on the trilateral relationship and regional security. One of the primary themes to emerge from this conference is that the U.S.-ROK alliance is in a state of significant change. Korea’s economic and political maturity has given rise to significant material wealth and an ever-increasing range of domestic political perspectives that shape South Korea’s foreign policy in new and unexpected ways.

The perceived growth of anti-American sentiments and a national outlook that appears more favorable toward China are also having an important impact. The decisive victory of the Uri Party in the April 2004 elections was attributed by many analysts to a more politically active and socially engaged younger generation seeking to change the status quo (particularly in North-South Korea relations and in the U.S.-ROK relationship).

The Young Leaders found that the Chinese-Korea perception gap on regional security issues was in many respects as significant as the generational perception gap in South Korea. They agreed that the older leaders’ underestimation of the younger generation was in part a reflection of their failure to assess how deeply modernization and growth had changed Korean society as a whole. As a consequence, the existing power elite had failed to meet the needs of this increasingly vocal and active group.

The Young Leaders fully agreed with observations that the U.S.-Korea bilateral relationship must change to better reflect South Korea’s political and economic maturity. They further offered that anti-Americanism among young Koreans was being misunderstood; it is not so much a political movement against the U.S., but rather an expression of support for Korea’s maturation as a regional power and of discontent with the status quo: regional insecurity on the Korean Peninsula and a U.S. policy that seemingly perpetuates it. They were optimistic that the Six-Party Talks could serve as a base for building a Northeast Asian security mechanism in which the major powers in the region cooperated as equal partners and indicated that U.S. support for such a mechanism would go far to strengthen the bilateral relationship.

## **Young Leaders Seminar, Beijing, August 2004**

The second Young Leaders conference was co-sponsored by the Pacific Forum CSIS, the Research Institute for Peace and Security, and the China Institute for Contemporary International Studies in Beijing, in August 2004. “Toward a Stronger Foundation for United States, Japan and China Relations,” included 10 Young Leaders from China, Japan, South Korea, and the U.S.

The Young Leaders noted the general optimism of the conference subject matter, but noted the very real difficulties of dealing with the roots of bilateral problems between China and Japan, which were equally reflected in the tone of the conference. Many expressed concern that “China-Japan relations could become a key obstacle to greater East Asian regional integration.” History in this case has a profound impact on the way in which Japan and China view and approach one another.

As a conference participant noted, for the first time in history, both China and Japan are major world powers – a situation that would naturally give rise to historical insecurities, but that also may provide unique opportunities. Both senior participants and the Young Leaders noted that the U.S. has a critical role to play in shaping these opportunities, particularly since its bilateral relationships with China and Japan are both “the best they have ever been.”

Young Leaders from both China and Japan were greatly concerned with what each viewed as a failure of both governments to stem the rising tide of nationalism in their countries. There was a general impression that nationalism served the political aims of both governments and yet both failed to appreciate the negative impact on public perceptions in foreign countries. Without an obvious demonstration of the government’s desire to temper nationalism, inaction could be viewed as tacit approval and could harden the mistrust that already exists between China and Japan.

These problems were clearly evident in a live “case study” that took place simultaneously with the conference: namely, the Asian Games soccer competitions. Chinese fans were disrespectful during the Japanese anthem and were seen burning Japanese flags. Some Japanese fans suffered verbal and at times even physical abuse. The tendency of Chinese authorities to downplay the incidents and the Japanese media to over dramatize them underscored the nature of the problem in both countries.

The Young Leaders agreed that a more thoroughgoing public education and outreach (or exchange) policy, particularly aimed at the youth in both countries might help to offset and reshape nationalist trends.

## **Young Leaders Seminar, Shanghai, August 2004**

The Pacific Forum CSIS, the American Center at Fudan University, and the Honolulu-based Asia-Pacific Center for Security Studies co-hosted a U.S.-China workshop on bilateral relations and regional security in Shanghai, China immediately

following the Beijing trilateral conference. Eight Young Leaders from the U.S., China, and Japan participated in the conference. Participants highlighted the significant improvements in the U.S.-China relationship over the previous year and since Sept. 11. Nonetheless, the trajectory of the bilateral relationship was marked by pessimism and mistrust; a reflection of the fact that the U.S-China relationship is at an important crossroads and will be shaped by events on the Korean Peninsula and in the Taiwan Strait. Although the U.S.-China relationship is not marked by any overriding historical enmity, there remains a profound current of mistrust that stems from history, in particular the role that both nations have played, and see themselves destined to play, in Asia.

This subcurrent is reflected in the public statements issued and actions taken by policymakers. Both Beijing and Washington express suspicion not only of the short-term strategic interests of the other – especially (but not limited to) the outcome of politics on the Korean Peninsula and in the Taiwan Strait – but also in the long-term strategic and economic interests that are shaping each country’s policies. The Young Leaders expressed concern that this mistrust seems to be enduring contrary to (and despite) overwhelming evidence of a warming and deepening U.S.-China relationship.

The participants recognized that this mistrust can only be undone with a substantial increase in communications and people-to-people contacts that help to build understanding. The Young Leaders had a vibrant discussion about ways to improve contacts between youth in the U.S. and China, but seemed to recognize that mistrust and misunderstanding (and perhaps a miscommunication of national interest) would continue to distort each nation’s perception of the other. Many expressed hope that both nations might consider placing more emphasis, where possible, on mutual strategic interests and expressing their common ideals through non-strategic arenas (like humanitarian aid and disaster relief) that might strengthen the bilateral relationship and build an enduring foundation for regional cooperation.

## **Conclusion**

During the Young Leaders seminars, we were reminded that a single word’s meaning can differ from one speaker to the next, and that difference can dramatically shape the tone and direction of a discussion, sometimes leaving impressions considerably different from that which the speaker intended. In a multinational forum, the sharing of ideas leads to rich discussions, but sometimes the intended meaning of a word or idea can be lost. As a result, there is no substitute for face-to-face dialogue, to provide an opportunity to challenge or explain one’s views and to promote better understanding, trust, and mutual respect. Watching the enthusiasm around the conference table and the dinner table reinforces our commitment to fostering inter-and intra-generational dialogue.

The articles in this volume reflect the discussions held during the conferences. They represent the personal thoughts of the Young Leaders themselves. They reflect the participants’ concerns and optimism, and highlight the changing world perspectives of young professionals and the younger generation of leaders that will one day be shaping foreign policy across the Pacific.



**Chapter I:  
Managing U.S.-ROK Cooperation on Relations with China**

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# The Importance of Managing the Trilateral Relationship

By Christine P. Brown

The conference has forced me to think about the interplay of economics, security, and domestic politics and how each affects the trilateral relationship. In writing this paper, I tried to focus more on the overall relationship rather than focusing on the economic aspects of relations.

As I listened to the discussion, it struck me that, even though there is a lot of emphasis on how the Peninsula remains divided along Cold War lines, there appear to be a number of new dynamics at work – the maturation of Korea’s economy and democratization, technology, and China’s emergence – that are impacting both economic and security relations between the United States, Korea, and China.

## **Korea’s Transformation**

Korea has undergone an amazing transformation since the end of the Korean War. Once deeply dependent on foreign aid, largely from the United States, to sustain its economy, Korea has developed into the world’s 12<sup>th</sup> largest economy, with aspirations to be an economic hub in Northeast Asia. Its political transformation is no less astounding. Korea has moved from authoritarian rule to democracy. And Korea’s democratic institutions are maturing and proving resilient. South Korean politics has also reached a turning point, as a younger generation – a generation that has experienced the remarkable changes in Korea over the last three decades, but did not live through the Korean War and the difficult postwar period – assumes more political power, as demonstrated by President Roh Moo-hyun’s election and the outcome of April’s national parliamentary election. The younger generation, confident in Korea’s development, has demanded a more equal partnership with the United States that would reflect the changes that have taken place in South Korea. It is natural that the U.S.-Korea alliance, formed over 50 years ago when Korea was a very different country than it is today, would come under stress, as it seeks to adapt to the new realities.

## **Technology**

Technology impacts both economics and security. In the economic arena, technology drives development. The United States, Korea, and China are each in a different stage of economic development, but technological advances are essential to remaining competitive. Given the complementarity of the three economies, informal production chains develop, with the United States providing the leading-edge technology, Korea the value-added manufacturing, and China the low-cost assembly. For this relationship to be sustained, Korea needs to maintain its competitive edge over China. However, questions are already being raised about how quickly China will first equal and then overtake Korea technologically. A Federation of Korean Industries (FKI) study has already found that China will overtake Korea in most sectors by 2007.

Advances in military technology are also having an impact on relations. They have been listed as one of the main reasons for the restructuring of U.S. troops on the Peninsula. Secretary of Defense Donald Rumsfeld has consistently emphasized the “versatility, mobility, and flexibility” of the U.S. military in explaining the reasons for the reallocation of U.S. forces. Chinese moves to modernize its military raise concerns in the United States and the region.

### **China’s Emergence**

While China has long loomed large, its emergence as an international player is a rather new phenomenon. This is true in both the economic and political/security fields.

China’s emergence as an economic player globally, and as a key trading partner of both the United States and Korea is astounding. Since normalizing economic and diplomatic relations in 1992, China-Korea trade has steadily increased, accelerating with China’s accession to the WTO and the slowdown in the U.S. and global economy. U.S. trade with China is also growing exponentially. Imports are up almost fourfold over the last ten years while exports have increased at a much slower rate, and the U.S. trade deficit with China ballooned to \$123 billion in 2003. At the same time, U.S. trade with Korea has leveled off. China became Korea’s number one investment market in 2001, and its number one export market in 2002. Although, China (excluding Hong Kong) has not yet overtaken the United States as Korea’s number one trading partner, this may not be far off. In 2003, two-way trade between the United States and Korea amounted to \$59 billion, while Korea-China trade was \$57.5 billion.

But much of the change in Korea’s trade with United States reflects China’s emergence as a global assembly hub. As firms relocate their assembly operations to China, China has begun to absorb the trade deficits of its neighbors, including Korea, as indirect trade with the United States via assembly on Chinese soil increases. In this way, trade between the U.S. and China, and South Korea and China increases, while direct trade between South Korea and the United States decreases.

As China’s presence is felt in the economic sphere of the trilateral relationship, it is also being felt in the political and security realm. As the Chinese economy has become more linked to the regional and global economy, Beijing’s interest in preserving a peaceful security environment to nurture economic development and prosperity has become more pronounced. In dealing with North Korea, China has taken on a key role as convener of the Six-Party Talks, as intermediary to the North Koreans, and as a party to the talks. U.S. officials have acknowledged that without China the United States wouldn’t have any traction with the North Koreans.



## **Concluding Remarks**

These dynamics present challenges not only for the bilateral relationships, particularly for U.S.-Korea relations, but also for regional security. The United States will not abandon its network of alliances in the region as a result of these dynamics, but the U.S.-ROK alliance will, and already has begun, to adapt to new realities. Adapting to change is never easy. Even in the United States, a country admired for its flexibility, change is difficult, as can be seen in the U.S. debate over outsourcing. Outsourcing, while painful for those who lose their jobs, is emblematic of the elements of the U.S. economy, particularly its flexibility and dynamism that have been key to its remarkable success. However, the negatives often overshadow these positives. Thus far the parties have publicly emphasized areas of commonality, but one does not have to dig deep to find areas of divergence. Korea will have to make difficult decisions to reform its economy and make Korea an attractive, business- and investor-friendly market in order to remain competitive and to achieve its goal of becoming an economic hub in Northeast Asia.

I am also reminded of a comment made toward the end of the conference, that while it is easy to speak of a trilateral relationship among the United States, South Korea, and China, it should be remembered that there is no formal trilateral structure binding the three countries together for either economic or security reasons, unlike the Trilateral Coordination and Oversight Group that provides some structure to the U.S.-ROK-Japan relationship. This in part is due to the very newness of the trilateral ties. Whether a formal trilateral relationship develops is unknown. What is known is that the ability of the individual bilateral relationships and the overall trilateral relationship to adapt to the changes is crucial for regional security, particularly on the Korean Peninsula.



# **The Trilateral Relationship and the Six-Party Talks: A South Korean Perspective**

By Kim Ah-Young

As the six nations prepare for the third round of Six-Party Talks concerning North Korea's nuclear program, the stability of the ROK-U.S.-China trilateral relationship and the strengthening of South Korea's relationships with the U.S. and China remain essential to reaching a solution to the North Korean nuclear issue. However, there is already a split in views of how to proceed with the most basic issue underlining this crisis – security. The very fact that security is intertwined with other issues such as North Korea's economic reforms, energy needs, human rights, refugees, and even the future question of Korean unification have made this six-party process both complicated and challenging.

The ROK-U.S.-China triangle is an important pillar of security. However, as mentioned by one conference participant, this trilateral relationship is “a new feature in the triangulation of relationships” unlike the more “traditional” Northeast Asia triangles (i.e., U.S.-ROK-Japan, China-Taiwan-U.S., and U.S.-Japan-Russia). It is precisely this newness, as well as the circumstances surrounding the Korean Peninsula, that have made the managing of this trilateral relationship so significant. Additionally, shared interests and differences amongst the three on security have both pulled and pushed this trilateral relationship in various directions. It is important for South Korea to manage its relationship with the U.S. and China for two reasons: South Korea is the relatively weaker political power, but also is the most directly influenced by the security situation on the Korean Peninsula.

From a South Korean perspective, it is difficult to balance both the domestic and international realities that surround the Korean Peninsula, especially concerning North Korea. On the international front, the U.S. is perceived as pursuing a moralistic, regime-change driven agenda. Although Iraq's situation is different from North Korea, the grouping of three nations under the title “axis of evil” has created mixed feelings on how Iraq's example will affect future U.S. policy toward North Korea. As a U.S. ally, South Korea sent troops to Iraq for postwar reconstruction efforts, but the current difficulties of establishing a stable government and security environment in Iraq have proven in South Korean minds that “regime change” driven policy is not an option for North Korea. However, the tendency to interpret U.S. foreign policy through South Korea's domestic framework has created the impression that when time and patience run out on the North Korean nuclear issue, the possibility of using other means always remains on the negotiation table.

It is crucial that South Korea better manage its relationship with the U.S. on the multilateral and bilateral front. Multilaterally, South Korea needs to continue with active participation in the Six-Party Talks, as well as sub-group meetings such as TCOG (Trilateral Coordination and Oversight Group) between the U.S., Japan, and South Korea. Creating a working-group meeting of the Six-Party Talks and the establishment of a DPRK Nuclear Task Force within the ROK MOFAT are both good steps. Bilaterally,

South Korea needs to focus on alliance management with the U.S. This will require two steps – first, to de-link the U.S.-ROK alliance from domestic sensitivities and second, to understand how this alliance fits within the overall global security structure. The difficulties with both steps are inevitable, but unless they are addressed effectively, it will become harder for the U.S. and South Korea to share any kind of joint vision. U.S. plans for building a defense shield and Japan’s active cooperation in this system greatly contrasts with the pace and progress of a joint U.S.-ROK security plan. South Korea must decide how it can maintain its own defense and security interests, and to coordinate this within the larger framework of Northeast Asia. The U.S.-ROK alliance has maintained more than 50 years of peace and stability – to back away from such success would be regrettable.

The Six-Party Talks have also given China the opportunity to play a major role both within the trilateral relationship and the larger Northeast Asian security framework. As a host to the Six-Party Talks and as a historical “lips and teeth” partner to North Korea, China is shining in the international spotlight. Bilateral meetings between China and North Korea are a clear indication that the security situation on the Korean Peninsula not only influences China’s interests but also that China will continue to play an active role in maintaining its own security. What is interesting to note is that prior to the suggestion of creating a working group meeting of the Six-Party Talks, there was no ROK-U.S.-China trilateral meeting similar to the TCOG. The possibility of establishing a ROK-U.S.-China security dialogue needs to be considered.

Bilaterally, China maintains the best positions vis-à-vis North and South Korea. China’s ongoing economic transition into a market economy and emphasis on pursuing diplomacy and negotiation on the North Korean nuclear crisis have depicted China as a crucial link and model to North Korea’s eventual reform by South Korea. China is also happy to maintain separate bilateral relationships with its Korean counterparts – North Korea is an important buffer zone for China’s security while South Korea’s foreign investment and trade contributes to China’s economic growth. The opening of diplomatic relations in 1992 between China and South Korea has produced good results, mostly on the economic front. However, it is critical that South Korea pursue a two-track approach with China for the next 10-year period: a macro, strategic dialogue focused on security and a micro dialogue that can address issues such as energy, environmental pollution, North Korean refugees, and immigration. South Korea needs to maintain a balanced relationship with China because solving the North Korean nuclear crisis and possible Korean unification will require much Chinese assistance.

On the domestic front, South Korea faces many challenges. The most critical is the absence of presidential leadership. This not only affects South Korea’s ability to maintain a responsible image abroad, it also influences long-term policy planning and adjustment measures that are needed when dealing with North Korea. At a time when South Korean leadership and cooperation are the most needed, instability rising from domestic politics not only creates perception gaps, which are susceptible to public sentiment, but also misunderstanding in terms of why domestic and international policies are not moving in the same pace and direction. For example, despite advances in

economic areas such as inter-Korean trade, railroad linkages, and family reunions, the issue of North Korean refugees, human rights, and continuous food shortages are long-term challenges that need to be addressed. The working group meetings of the Six-Party Talks could play a major role in dealing with these issues.

For the Six-Party Talks working group meetings, two ideas can be proposed in terms of dealing with North Korea multilaterally. The first would be to organize the working groups around specific issues of concern among the six-party participants, as well as other nations and organizations. The main Six-Party Talks format would deal solely with security and the North Korean nuclear crisis. However, sub-groups would address non-security issues. For example, refugees/abductions/human rights as group 1 (with China, North Korea, Japan, and South Korea as members); energy/KEDO as group 2 (with the U.S., Japan, South Korea, and the EU as members); food aid/humanitarian assistance as group 3 (with South Korea, U.S., Japan, and international organizations as members), and group 4, which would act separately as international observers (with the UN, NGOs, and other civilian groups as members). The strength of this format is that non-security issues cannot be manipulated by politics or held as leverage over the security agenda – these separate working groups could enhance cooperation while allowing the main six-party format to focus on security. However, the weakness of this format is that unless the basic question of security is solved, many participants will have little motivation to participate in the separate working groups.

The second would be to organize a phased approach – phase I will first address the North Korean nuclear issue (complete, verifiable, and irreversible disarmament) and security concerns. Phase II will address North Korean energy and food concerns. Phase III will deal with humanitarian issues such as abductions, refugees, and human rights. Phase IV will focus on additional issues that remain on the agenda. The strength of this format is that it motivates North Korea to act – the longer they linger, the less they can proceed with other issues. The weakness of this format is that North Korea can retaliate with stronger security threats, forcing other participants to offer energy, food, and financial assistance before the agreed phase approaches – this has happened, even without security threats from the North. Therefore, this phased approach requires strong checks and balances between each phase to make sure that all agreements, both in wording and in action, have been effectively implemented.

The ROK-U.S.-China trilateral relationship has much to offer in this process and plays an important, strategic role. However, it is important that South Korea understand the dynamics of this triangle and maintain good relations with the U.S. and China, beyond the six-party framework. This is not only essential to South Korea's future security, but also to the stability of Northeast Asia.



# **The Nightmare of Taiwanization: The South Koreans' Anxiety of National Security**

By Lee Jang-Wook

## **Foreword**

On America's anxiety about East Asian security, two undesirable situations could be assumed. One is the formation of a bloc by China, Japan, and Korea which will block America's control over East Asia; the other would be establishment of "the unit veto system," which was suggested by Morton Kaplan in the 1960s, in which all actors do not make any kind of alliances, and pursue their security through denial capabilities. However, if we take a closer look at the recent situation in East Asia, the U.S., for now at least, does not need to worry about these undesirable situations. This is because after Sept. 11, U.S.-Japan relations have become closer and China and the U.S. have also formed an unprecedented relationship. It seems that the major powers in Northeast Asia will, for the time being, remain on good terms.

However, as America's anxiety is slowly fading away, South Korea's anxiety has only just started. What are the concerns of South Korea about national security in the 21st century? I think there are two kinds of bad situations that could be imagined. First, improved relations between the major powers could make Korea a "forgotten state." And second, as long as Korea is divided into two competitive societies, if the major powers do not commit to the Korean Peninsula, there is a great possibility of conflict between the two Koreas. In particular, North Korea could take advantage of this situation and try to put South Korea in a similar situation as Taiwan. I define North Korea's intention as "Taiwanization."

## **South Korea's Double Dilemma**

Alienation of Korea. The geographical interests or interests that major powers such as the U.S. have can be divided into vital interests and situational interests. What can be gained from the Korean Peninsula by the major powers in East Asia? I believe that the gains to be had from Korea tilt more toward situational interests rather than vital interests. Korea does not possess petroleum or other types of fossil fuel nor is it a country that has formed emotional and cultural ties with major powers like U.S.-Israel relations. However, if there is a conflict between the major powers, Korea will surely be a focal point. This is because of the geopolitical usefulness of Korea, which acts as a bridgehead or buffer zone. But the geopolitical usefulness of the buffer zone depends heavily on the state of the relationships between the major powers. If relations are competitive, then Korea will have their full attention; if relations are on desirable terms Korea will no longer be a matter of interest. Therefore, it is for these reasons that the gains from the Korean Peninsula by major players in Northeast Asia are classified as situational gains. Korea received much attention from the U.S, Japan, the former Soviet Union, and China during the Cold War because the majors powers in Northeast Asia were divided into two separate camps and were in fierce competition with each other.

Korea's alienation by the major powers may have started with the end of the Cold War. However, due to the fact that there were no improvements in the relationship between the U.S and China and because of the problems that have arisen from the North Korean nuclear issues, the alienation of Korea has come to a temporary standstill. But, with the U.S-China relationship reforming after Sept. 11, the possibility of alienation of Korea could increase. The Sept. 11 terrorist attack changed America's role in managing international order. The U.S felt it had the responsibility to peacefully resolve internal conflicts in the Westphalia system until the end of the Cold War. However after Sept. 11, the U.S was entrusted with the task of protecting the Westphalia system from external threats. Therefore, the relationship between the U.S and China has transformed from competition to strategic partners; at the same time there is a need for adjustment in the role of the USFK, which was stationed in Korea to curb Chinese involvement in the event of a North Korean attack. In 2002, Nicholas Eberstadt of AEI predicted the advent of this type of phenomenon using "the doughnut and the hole" as an example. After Sept. 11, while the relationships between the major powers of East Asia were improving, America's relationship with the two Koreas has become estranged. Of course this situation may have originated from the Korean government's lukewarm reactions toward the North Korean nuclear issue and the improving relationship between the major powers of Northeast Asia, making the possibility of the alienation of Korea a reality.

Taiwanization of South Korea. The development of relations between the major powers could generate the alienation of the Korean Peninsula. However, it cannot be said that Korean security is worsening solely because of this. This is because alienation itself means the disengagement of the major powers, and this could positively affect the security of the Korean Peninsula. The reason that alienation by the major powers casts a shadow over the security of the Korean Peninsula is the competitive relationship that the two Koreas have with each other. In spite of former President Kim Dae-jung's "Sunshine Policy," the military tension between the North and the South still exists, and both countries are mobilizing their national resources to establish their own national ideology on a unified Korea.

I think Pyongyang's nuclear program relates to North Korea's reunification plan. If North Korea is to achieve reunification through its own means, it must isolate South Korea from international society and make sure that North Korea realizes exclusive legitimacy on the Korean Peninsula. That means North Korea would become the only legitimate state on the Korean Peninsula and South Korea's position in international society would become similar to that of Taiwan. South Korea would become what North Korea has always claimed it is: a puppet state. The intentions of North Korea's nuclear program can be defined as "The Taiwanization of South Korea." North Korea's nuclear development is the means to accomplish this. The main conditions North Korea makes for halting their nuclear program show this intention. The main conditions are: the recognition of the North Korean regime; a security guarantee; and a conclusion to peace talks with the United States.



If North Korea developed its nuclear program solely to gain a security guarantee, the acknowledgement of its regime and peace talks and plans to resolve the nuclear issue are two totally different subjects. However, North Korea insists on acknowledgement of its regime and a conclusion to peace talks. Why? I believe that it is because an acknowledgement of the North Korean regime and an end to peace talks are vital to carrying out its reunification strategy. Through the nuclear program, North Korea aims to have direct negotiations with the U.S and it demands acknowledgement of its regime during this process. By acknowledgment, North Korea does not mean the recognition of the existence of the North Korean regime; instead, it means the acknowledgement of the exclusive legitimacy of the regime on the Korean Peninsula. After they receive acknowledgment of their legitimacy, there will be a demand for the conclusion of peace talks through which they can consolidate their own legitimacy. If there is a conclusion to the peace treaty, it will be the biggest gain obtained from North Korea's nuclear development, and the initiative on reunification of Korea will go to the North.

Although North Korea is carrying out its strategy in accordance with this intention, as long as there is opposition from South Korea, North Korea will fail to achieve its goal. Therefore, North Korea needs to eliminate South Korea's opposition to North Korea's reunification plan. North Korea's "United Front" tactics, of which the ultimate goal is the establishment of a benevolent South Korean government, is to diminish South Korea's opposition. North Korea has carried out United Front tactics since the 1970s. Recent situations favor North Korea. In South Korean society there is an increasing number of people who no longer regard North Korea as evil, as was the case in the past, but rather as a partner that will help form the future unified Korea. Through a critical review titled "South Koreans cuddle up to the North" in the March 29 issue, the *Wall Street Journal* reported that at an undisclosed address on key leaders at the end of last year, Kim Jong-il acclaimed that "there are tremendous changes happening in South Korea" and declared that "the anti-communists and conservatives, who have formed the society's main-stream, have been forced out." This review also revealed that "this time the North is right. The illusion that North Korea and the nuclear issues, amongst other things, no longer pose a threat is slowly spreading and is breaking down South Korea and this effect can already be sensed." As can be seen in the *Wall Street Journal* report, the proliferation of pro-North Korean sentiments, which is spreading in the South, is a very dangerous factor that can decide South Korea's fate. Although *Wall Street Journal* stated that the increasing pro-North Korean sentiment and anti-American sentiment will eventually lead to the withdrawal of U.S. Forces Korea (USFK) and a situation where Korea will have to be responsible for its own security, I think differently. The development of pro-North Korean sentiment and its effects will result in a decline in the will for self-defense. If pro-North Korean sentiment becomes the general opinion, the Korean government will ask for the withdrawal of the USFK. If Korea asks for the complete withdrawal of the USFK it will mean that Korea's will to defend its national security has disappeared because the U.S.-ROK alliance and USFK are the symbols of deterrence that deny North Korea's reunification strategy.

## Conclusion

The South Koreans' national security anxiety that I mentioned is somewhat negative and pessimistic, and is based on a South Korean-centric point of view because I felt that there was a need for concern about the worst situations that could arise so that those situations could be avoided. This year's trilateral conference of the Pacific Forum CSIS gave me a chance to gain valuable insights on East Asian security issues, and with the bonus of receiving insightful comments on my argument. Following the conference, I revised my thoughts.

The alienation of Korea. The possibility of the alienation by major powers surrounding the Korean Peninsula poses little threat. Obviously, the U.S. and China are on better terms than ever before, but, the improved relations between the U.S. and China does seem not to have generated the alienation of Korea I expected. Many comments and opinions from participants in this year's trilateral conference showed that many had the same insight. Chinese participants insisted that China should support the North Korean regime, present regime change in the North, and continue to worry about containment of China by the U.S. Of course, some American participants did not agree. Also China is still developing its economy so China needs economic cooperation with South Korea, therefore it needs Korea to exist and there is serious concern about Sino-Korea relations after the reunification of Korea. China needs Korea not only because of geopolitical measures that can block the influence of the U.S., but also as a partner with whom it will establish cooperative relations in East Asia.

The U.S. participants also denied the possibility of alienation. In spite of the U.S. emphasis on the "war on terrorism" and "war on Iraq," the North Korean nuclear issue is still the main concern for U.S. security. If the U.S. regards its worst nightmare as the establishment of the unit veto system in East Asia, the U.S. will maintain its commitment to the Korean Peninsula in spite of the improved relationship between the U.S. and China.

Taiwanization. Although "Taiwanization" is the worst thing that could happen to South Korea, it is not an imminent threat. However, I believe that we cannot deny this possibility completely. The Chinese participants at this conference mentioned that the most important interest that China has on the Korean Peninsula is the "status quo" and China recognized the legitimacy of South Korea. China acknowledged both the North and South governments. I think the Chinese participants' opinions mean China will not accept an anti-status-quo situation on the Korean Peninsula, which means China will refuse any reunification attempts by both the North and South. If China does not want to see the status quo changed on the Korean Peninsula, North Korea will fail to achieve its goal. Of course this means that South Korea will also be unable to achieve its goal of reunification due to Chinese intentions to keep the status quo but at least it will be able to avoid Taiwanization.

There were debates on regime change in North Korea at the conference. Although Chinese participants denied the desirability of regime change because of China's official attitude toward North Korea and the fear of uncertainty on the Korean Peninsula, the U.S. and South Korean participants seemed to regard the ultimate solution of the nuclear issue as regime change that will put an end to North Korean dictatorship. If the North Korea dictatorship persists, the U.S. will neither recognize the exclusive legitimacy of the North Korean regime nor accept reunification by North Korea

Another bit of good news for South Koreans is that the U.S. still has a favorable view of South Korea in spite of rising anti-American sentiment in South Korea. It means South Korea still has time to respond to its domestic problems which are having undesirable effects on cooperation with the U.S.

Finally, the most important insight that I gained from this conference is "it's South Korea." Recent South Korean national security problems are mainly not from external factors such as the improved relationship between the major powers but from domestic factors such as anti-American sentiment. A trilateral relationship between the U.S., South Korea, and China has developed on desirable terms. The U.S. and China are enjoying better relations than ever before and South Korea and China have also developed good relationship. And although Korea and U.S relations have been under strain, the cooperative relationship that has formed between the two countries over the last 50 years should be able to overcome these difficulties. The question to be asked now is not how this type of trilateral cooperation is going to be formed, but how effective it can become and be sustained.

In connection to the main concerns for the security of Korea, the confidence and conviction one has in the democracy of the country is also important. One of the main reasons that Korea and the U.S were able to maintain such a firm alliance was that both countries have a democratic structure. Through democracy South Korea will overcome the problems of increasing anti-American sentiment and threats to the South Korean system by the North; it also provides valuable vision for the reunification of the two Koreas. The most important aspect is the conviction that South Korea has about its democracy and whether it can induce sympathy for the North Korean system. Ultimately, the only thing that can solve the security problem on the Korean Peninsula is the democratization of the North, and South Korea will have to take the lead in such a reformation.



# How to Deal with Rising China: A Korean Perspective

By Park Kunyoung

The ROK-U.S. alliance proclaimed its 50th anniversary in 2003. The alliance has successfully deterred military threats from North Korea and contributed to peace and stability in Northeast Asia for the past 50 years. In serving these functions, the ROK-U.S. alliance is truly a cornerstone that made the development of democracy and a market economy in Korea possible.

Although the alliance has been rewarding so far, there are more concerns than hopes over the future of the alliance. In this regard, we should consider factors that are developing in a different way from the past. Internally, this anxiety about the future of the ROK-U.S. alliance can be attributed to increasing anti-American sentiment and pro-Chinese sentiment in Korea. Externally, it results from changes in the security environment in Northeast Asia. Especially, the China factor including its rapid economic development and military buildup, as well as internal problems should be considered and dealt with.

## **Increasing pro-Chinese Sentiment in Korea**

In a recent survey to members of the 17<sup>th</sup> Korean National Assembly, 55 percent of the newly elected assemblymen chose China and 44.8 percent chose the U.S. as the most important country in Korean foreign policy; 58.5 percent of reelected members answered that the U.S. is the most important country to Korea. Also, 63 percent of electees in Uri Party, the majority party in the 17<sup>th</sup> National Assembly, answered that China is the most important country regarding foreign policy and trade in Korea, and only 26 percent said the U.S. Those who prioritize China over the U.S. base their judgment on the fact that trade between Korea and China overwhelmed trade between Korea and the U.S. They claim that in a pragmatic perspective Korea should consider China not as just a communist regime to keep an eye on, but as an important country for Korean foreign policy and trade. They also believe that China's role is increasing in the diplomatic realm as well as in the economic realm, as seen in the Six-Party Talks on the North Korean nuclear issue.

In this regard, increasing pro-Chinese sentiment in Korea is closely related to political and generational change. Also, increasing anti-American sentiment is relevant to pro-Chinese sentiment in that advocates of anti-Americanism are weighing China against the U.S. concerning Korea's future. As anti-American sentiment and skepticism on the ROK-U.S. alliance spreads, a part of the Korean public is looking for an alternative that can replace the alliance. Practically, however, there are not enough choices that Korea can make other than the United States. Therefore, the solution to those who look for Korea's alternative to the U.S. is to promote relations with China, a country which is closely located geographically, shares similar traditional values and culture, and currently raises its voice against the United States. At the same time, the belief – or hope – that there is another country Korea can depend on (instead of the U.S.) seems to weaken the

necessity of the ROK-U.S. alliance and strengthen the anti-American sentiment of the Korean public.

### **Pro-Chinese Sentiment as an Alternative**

Considering rapidly deepening social and economic relations between Korea and China, the recent pro-Chinese sentiment prevalent in Korean public is natural, and it can be a positive force to build constructive relations between two countries. In some respects, the China dimension of Korean anti-American sentiment is historical. The pro-China sentiment has deeply rooted origins in the long history between two countries. Korea and China are closely located in the Northeast Asia, and the two countries share similar values such as Confucian ideas. However, the pro-Chinese sentiment should not be left unattended to reach a level at which it aggravates the ROK-U.S. alliance. The ROK-U.S. relationship is not only historical but also country-specific, and it should be viewed multi-dimensionally, considering the historical interaction between Korea and the United States. Despite the fact that China is rapidly rising, Korea should not regard its relations with China as more important than or predominant over its relations with the United States. Korea-China relations should develop on the basis of ROK-U.S. relations because the ROK-U.S. alliance is pivotal to Korean security. With respect to both security and economy, Korea-China relations is still incipient and fluid. Even though the growing China market is crucial for the Korean economy, security and economics are interconnected and cannot be separated from each other since economic development is possible only with firmly assured security.

Approaching Korean pro-Chinese sentiment and anti-American sentiment, we should pay attention to the fact that as the boundary of Korean diplomacy expands, there are not enough alternatives for those who advocate anti-Americanism. The fact becomes more indisputable when we compare the Korean public's closeness to China and understanding of Chinese strategy. Despite their growing intimacy with China, the Korean public is also sensible in its evaluation of China's role in the Korean Peninsula's security. Most Koreans acknowledge that in case of a military contingency in the Korean Peninsula, realistically only the U.S. – not China – can assure Korean security.

Due to their different regime types, Korea and China will inevitably have a perception gap when it comes to issues that are critical to Korean security; survival of the North Korean regime, possibility of change in North Korea, North Korean refugees, and the reunification of the Korean Peninsula. For example, China does not want a collapse of the current North Korean regime and reunification of the Korean Peninsula in the near future. Rather, China wants the status quo of the Korean Peninsula – the current state of confrontation between two Koreas – to remain so that it can maintain diplomatic leverage over the Peninsula. If China stopped its material and political aid to North Korea and allowed North Korean refugees to China, the North Korean regime would find it hard to survive. This gap of perception between Korea and China will continue as long as the two countries have different political structures. Even shared cultural and historical values between two countries would not be able to narrow the perception gap.

The rise of China may have both positive and negative impacts on the ROK goal of achieving an advanced and unified country, and the ROK cannot pursue this without considering China's increasing power and leverage over North Korea. Korean reunification is impossible without China's positive role in the process. Also, China cannot substitute the U.S. role in the Korean Peninsula as long as China's political structure differs from South Korea's and it remains a threat to Korea.

Moreover, as China achieves economic development and national confidence, its increasing nationalism is causing anxiety in surrounding countries including Korea. The Chinese government has utilized nationalism to suppress minority races and prevent domestic disintegration. Other countries worry that nationalism in China might change into an expansionist policy. For example, the Chinese government is recently driving a 5-year project of ancient history research. The project has been the source of tension since it distorts ancient history of minority races and neighboring countries including Korea. If nationalism continually increases in China, it can be a great threat to Northeast Asia and the Korean public should reconsider their current evaluation of China. Furthermore, Chinese nationalism can stimulate and strengthen nationalism in surrounding countries. If China's expansionism stimulates Japan and the two countries have a conflict, it will threaten regional stability and Korea will be damaged from the competition between the two rivals.

In this regard, Korea should pay more attention to future uncertainties and potential threats. The inherent uncertainties in China such as the character of its political structure and nationalism can bring about threats to Northeast Asia. Therefore, Korea should prepare to cope with these inherent insecure factors in China rather than merely congratulate it for its current prosperity and development.

### **Implications for Korea**

The Northeast Asian security order in the 20<sup>th</sup> century is unstable and hard to predict. One of the reasons is that the possibility of confrontation and conflict between allying countries around the U.S. and China is feasible. The rise of China is a matter of primary concern to the U.S. in terms of its engagement policy toward Northeast Asia in that competition between the two great powers seems inevitable. Some predict that values in China will change as China reforms and develops, and then U.S.-China relations will eventually change. Even if China changes into a political regime similar to that of the U.S. and two countries remain friendly, however, discord between the U.S. and China is unavoidable in the light of a hegemonic transition. The U.S. as a world hegemon and China as a rising power in economy, international politics, and military cannot but have conflicts.

Neither nonalignment nor the neutralist line is advantageous to Korea, and Korea should acknowledge and utilize U.S. hegemony. In a geopolitical aspect, Korea should ally with a power across the sea rather than a power in the same continent to avoid a territorial dispute. The ally also should find a vital interest in Northeast Asia and pursue an engagement policy aimed at stability and prosperity in the region. Finally, the ally

should have the capability to dispatch military forces in the shortest time in case of a contingency. The only country that fulfills all these requirements for Korea is the United States. As long as the U.S. remains the unipolar power, Korea should achieve strategic interests from the ROK-U.S. relations while gradually increasing its own defense capabilities.

At the same time, Korea should avoid friction with China and induce positive changes in China. Although the U.S. seems to change its perception of other countries according to the change of U.S. administrations, Korea need not change its perception on China according to the U.S. perspective. The U.S. policy toward China might differ according to administrations, as seen from Clinton's policy priority to China over Japan and Bush's priority to allies. Nevertheless, the U.S. strategy in principle does not change in a short period. Korea and the U.S. should keep in mind that China is a country to be engaged, not contained. China is experiencing changes that are irreversible, and Korea and the U.S. should promote China's democratization. A powerful China without a change in its political structure can be a threatening factor to the world as well as to the Northeast Asia. The rapidly growing economic and political power of China should function for peace and stability in the Northeast Asia, and it would best serve the interests of both Korea and the United States.



# Managing the ROK-U.S. Cooperation on Relations with China: Southeast Asia as a Major Stakeholder

By Ronald A. Rodriguez<sup>1</sup>

## The Southeast Asian Connection

Southeast Asia's interest in the political, security, and economic developments in Northeast Asia is largely influenced by its unique position as a major "stakeholder" in the outcomes of regional power interactions in East Asia. Given at least four very powerful nations – the U.S., Russia, China, and Japan – interacting in that part of the world, geographically proximate Southeast Asia is neither isolated from the benefits of their peaceful relations nor immune to the impact of whatever fallout results from their "power frictions."

Moreover, as is almost universally recognized, the main pillar underpinning security and stability in the Asia-Pacific, particularly in East Asia, remains to be the continued engagement of the U.S. Most Southeast Asian countries share with the Republic of Korea (ROK) and Japan a significant piece of the "security blanket" provided by the unassailable U.S. presence – one that has tempered a great deal of underlying tensions and even prevented possible outbreak of major armed clashes in the so-called regional "flashpoints" and "hotspots" over the years.

For Southeast Asia, any effort on the part of the Northeast Asian countries to engage in dialogue opens new opportunities for greater cooperation and stability in the region. This is why Southeast Asia is strongly supportive of frameworks like the Six-Party Talks, which involve the two Koreas, U.S., China, Japan, and Russia, in the Korean Peninsula; the Trilateral Coordination and Oversight Group (TCOG), involving the U.S., ROK, and Japan; and, other initiatives such as the emerging effort to manage ROK-U.S. cooperation on relations with China.

In its own limited way, Southeast Asia contributes to improving the prospects of peace and stability in East Asia by engaging the three major Northeast Asian countries – China, Japan, and the Republic of Korea – in multilateral frameworks such as the ASEAN Plus Three (APT), and by providing a framework for political and security dialogue for "interdependent" countries through the ASEAN Regional Forum (ARF). In fact, Southeast Asia may well take the credit for its very instrumental role in constructively engaging the DPRK, through the same forum, in 2000.

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What is clear about Southeast Asia's position here is that it banks on any form of dialogue – bilateral, trilateral, or multi-party – that promises to enhance mutual trust and align comparable strategic interests of major actors in the region. This position is obviously motivated by Southeast Asia's desire to gradually diminish the region's anxiety over the lack of institutionalized structure for political and security dialogue in Northeast Asia.

### **The Importance of Managing the ROK-U.S. Cooperation on Relations with China: Southeast Asian Perspective**

There is no question that security concerns like the Korean Peninsula and the Taiwan Strait provide the basis for coordinating and working together for the U.S., ROK, and China. Even Southeast Asia appreciates the value of managing ROK-U.S. cooperation on relations with China in the context of its own preference for diminished risks of military conflict in the Korean Peninsula and the Taiwan Strait. Officially, Southeast Asia maintains that an unmanaged relationship of these three major actors adds to strategic uncertainty in the region. It also posits that a trilateral coordination initiative is a perfect opportunity for mutual reassurance among the U.S., China, and the ROK.

As China plays a cooperative and pivotal role in the Six-Party Talks on the Korean Peninsula, Southeast Asia finds it even more momentous for the U.S. and the ROK to engage China. It should be emphasized that China has shown an unprecedented recognition of Washington's demand for complete, verifiable, irreversible dismantlement (CVID) of Pyongyang's nuclear program and even pursued the six points agreed during last year's talks. Many observers are likely to describe such a conciliatory Chinese posture as uncharacteristic, but the U.S. and the ROK should build on this Chinese gesture to make headway.

Both the U.S. and the ROK are aware of the value of a cooperative China. The two allies cannot deny the fact that China is their *alternative* link to the DPRK as only China, thus far, can influence the DPRK to evolve, albeit gradually, through modeled reforms. But as it becomes more apparent that real progress in the Korean Peninsula also hinges by and large on China's strategic responses – positions that are often generated by U.S. actions – the ROK is faced with the question of bridging the gap between the U.S. and China. Unfortunately, the ROK is not in any position to take on this difficult task. For one, many Chinese believe that improving the relations between China and the U.S. is a matter for the two countries to deal with exclusively.

Southeast Asia acknowledges the value of increasingly harmonized trilateral cooperation among the U.S., China, and the ROK. At the same time, the region finds it important to stress on the following concerns: (i) the need for the U.S. and the ROK to re-examine their bilateral relationship before they embark on a strategic “conditioning” of the U.S.-ROK-China triangular relationship; (ii) the need to manage trilateral relations in a way that will create more balance and stability rather than generate new insecurities or feelings of isolation on the part of other countries in the region like Japan; and (iii) the need to strengthen the foundation of a well-managed U.S.-ROK cooperation on relations

with China so it does not crumble after intermittent bumps in the relations or changes in leadership.

### **Southeast Asian Interests in Strategic and Military Dimensions of Trilateral Relations**

As Southeast Asia struggles against terrorism, it sees the lingering security dilemma in the Korean Peninsula as a hindrance to gaining the undivided attention and full cooperation of the U.S. and the other major powers in the region on efforts to curb terrorism. The unresolved geopolitical problems in Northeast Asia do not encourage Southeast Asia to expect much support from its regional neighbor. Southeast Asia readily admits, however, that it cannot single-handedly ward off terrorism since there are limitations that can only be augmented by the support of external actors like the U.S.

But contrary to Southeast Asia's apprehensions, it can be argued that one of the unintended consequences of the Sept. 11 tragedy is the unexpected re-engagement of the U.S. in Southeast Asia. This is in fact the first time in about three decades that the U.S. has regarded Southeast Asia as a security priority, a massive turn-around from the long-standing perception that Southeast Asia is marginal to U.S. security interests.

Moreover, impending force reductions in the ROK and the proposed Regional Maritime Security Initiative (RMSI) in Southeast Asia also indicate that the U.S. has acknowledged the need to spread its resources in order to address the security problems not only in Northeast Asia, but also in Southeast Asia. The idea is to make U.S. forces more flexible and responsive to contingencies in the entire Asia-Pacific region.

It remains to be seen whether these adjustments will result in profound changes in the security landscape in the region. But one can anticipate how Southeast Asia stands to benefit from any effort to condition the military dimension of the trilateral cooperation towards assuming greater regional security roles, if possible to the point of evolving into a collective force against terrorism in Southeast Asia. One can argue against this proposition, but finding common interests rather than dwelling too much on sensitivities is key to sustaining U.S.-ROK-China trilateral cooperation. Responding to the threats of terrorism in Southeast Asia, therefore, may just be an opportunity for the three countries to work together.



# Managing U.S.-ROK Cooperation on Relations with China: The Danger of Single Issue Engagement

By Tamara Renee Shie

## A U.S. Perspective

**Introduction.** Prior to the devastating terrorist events of September 11, 2001, the situation on the Korean Peninsula, the Taiwan issue, and the perceived threat of a rising China were primary international security concerns for the United States. However in the post-Sept. 11 environment the situation has changed dramatically. American bilateral and multilateral relations around the world, from Europe to Asia, altered almost overnight. Currently with the United States supervising ‘wars’ on several fronts – engaged in combat and reconstruction efforts in Iraq and Afghanistan, the ongoing global war on terror, and the wars of trade and words with European allies – the U.S. needs all the friends, or at least friendly partners, it can find. Whether because of or in spite of faltering relationships elsewhere, Washington’s relations are at some of their highest levels ever with Northeast Asian counterparts. Now more than ever, the favorable management of these relations is extremely important, but will Iraq continue to dominate Washington’s agenda? What are the dangers in allowing Iraq to drive U.S. foreign policy in Asia?

## Iraq in Northeast Asia?

As U.S. Vice President Richard Cheney set out for his first official trip to the capitals of Northeast Asia, a CNN headline proclaimed “Iraq overshadows Cheney trip.” This is extremely deceptive. We are lead to believe that had the security situation in Iraq not continued to deteriorate, culminating in the kidnappings of several foreign national civilians (including Asians), then Cheney’s approach in Asia would have taken quite a different turn – Iraq would have taken a back seat to other issues. Realistically, we must acknowledge Iraq was the main entrée on the menu long before the VP’s plane took off for Tokyo. The kidnappings of three Japanese and seven Koreans occurred a day before his scheduled departure, and the seven Chinese and two additional Japanese hostages were taken during his sojourn. Iraq did not so much overshadow U.S. security concerns in Northeast Asia as absorb them.

The situation in Iraq has come to have connotations beyond merely the U.S.-led war and reconstruction in the country. Rightly or wrongly “Iraq” has become synonymous with global efforts on the part of the U.S. to halt proliferation of weapons of mass destruction (WMD), the elimination of international terrorism, and even the handling of North Korea. The policy confluence was introduced in President Bush’s 2002 State of the Union Address during which he disclosed the “two great objectives” and the now infamous “axis of evil” of Iraq, Iran, and North Korea. The looming concern over North Korea’s nuclear program became part and parcel of the Bush administration’s grander “Iraq” policy scheme.

## **Iraq Quid Pro Quo?**

One of the potential downfalls of promoting a policy based solely on a country's level of commitment to U.S. strategies regarding Iraq, proliferation, and terrorism is that participating countries may expect a reward for their assistance. Such a trend was set when the U.S. attempted to award lucrative reconstruction contracts in Iraq only to its coalition partners in the war. In a memo on the reason for restricting competition in this manner, Deputy Secretary of Defense Paul Wolfowitz stated, "Limiting competition for prime contracts will encourage the expansion of international cooperation in Iraq and in future efforts." He further stated that only "coalition partners share in the U.S. vision of a free and stable Iraq." Not only do the statements show that carrots in the form of business opportunities are being offered to entice countries to become involved in Iraq, but also that one cannot merely be an ally of the U.S. but must fully share the "U.S. vision." The international community is left to ponder the meaning of the "future efforts" for which similar economic and political rewards might be offered.

When considering U.S. relations with Northeast Asia, it is impossible to discount the impact and influence of the U.S.-Japan alliance. It would appear that Japan has already been compensated for its consistent support in Afghanistan and Iraq in other "Iraq" related initiatives with the U.S. recognition of the abductions of Japanese nationals by North Korea. Ambassador J. Cofer Black, head of the U.S. Counterterrorism Office, recently cited the abductions as one of the key reasons for North Korea to remain on the government's list of states that sponsor terrorism. The more involved Japan has become in Iraq, the warmer the ties between Tokyo and Washington have become. South Korea and China are no doubt viewing these developments with much interest and accessing their own possible advantages to cooperation with the U.S. on "Iraq."

South Korea may be sensing U.S. disengagement over North Korea. Though a favorable resolution of the second North Korean nuclear crisis would indeed be a feather in Bush's cap, especially as the timeline for any concrete results in Iraq and in the war on terror become ever murkier, Washington seems to be losing interest. As the U.S. election draws closer the U.S. is willing to let the Six-Party Talks stand at the status quo. An ROK promise to send more than 3,500 troops to Iraq including combatants (what would become the third largest contingent in the country after the U.S. and U.K.) begin to sound like a appeal to win U.S. support in dealing with North Korea.

Though China has steadfastly refused to send any troops to Iraq as long as the United Nations is not the administrative authority, Beijing did contribute millions toward the reconstruction efforts in Afghanistan and Iraq. Continued financial and political, though not military, support is appreciated in Washington. China is also considered a key player in the Six-Party Talks on North Korea and pegged as a major ally in U.S. nonproliferation and terrorism initiatives (such as the Proliferation Security Initiative). During a three-day visit to China to build institutional cooperation on counterterrorism, FBI chief Robert Mueller warned of possible terrorist attacks in China by Muslim groups. The overt linking of terrorists with Islam and Muslim separatists in China's western province of Xinjiang with terrorist attacks has to raise some warning flags. The

statement no doubt delighted Chinese leaders who could see it as an invitation to crack down on Muslim groups with Washington's consent. A softening stance on Taiwan in favor of Beijing could too be seen as a fair dessert for continued cooperation.

### **Asian Interests vs. Washington's**

At Pacific Forum's April 2004 conference "Managing the Trilateral U.S.-China-ROK Relationship" in Maui, Iraq barely registered. Several other domestic and regional issues commanded the attention of participants – the direction of the Six-Party Talks, the implications of the elections and growing anti-American sentiment in South Korea, consternation over an increasingly independent-minded Taiwan, expanding regional economic cooperation, and the possibility of a standing Northeast Asian regional security arrangement. Asian officials and U.S. Asia-policy analysts clearly believe policies dealing with the situation in Iraq are of importance but do not require more attention than security issues in Northeast Asia. That the Bush administration is all too easily merging proliferation and terrorism in promoting cooperation with Asian nations does not reflect an understanding of the hazards involved in such an approach, nor of paying mind to its regional experts.

### **Conclusion**

While we cannot deny the obvious policy importance of "Iraq," it is precarious to have it form the basis of international cooperation on all security issues. It is a fine line to derive but one which could possibly spell the difference between cooperative and coercive engagement. One is likely to win friends, the other is not. For whatever reasons the U.S. may have gone into Iraq (and whether one endorsed them or not), continued international support for reconstruction efforts there is essential for regional and international stability. Likewise, from the outset of the war on terror the United States knew it was not a war to be won easily or quickly, and certainly not single-handedly.

Assistance and cooperation with our strategic partners is essential if the global war on terrorism is to succeed or even move forward. However, the use of cooperation in Iraq as a carrot and stick approach to foreign policy represents a myopic vision of international security relations and is sure to backfire. Though Washington is apparently considering morphing the Six-Party Talks into a permanent forum for the discussion and resolution of Northeast Asian security issues, one is left to wonder exactly what security issues will be considered. Would such a forum be driven only by U.S. interests in the region or Asian? How much influence will "Iraq" have on the process? The U.S. seriously needs to consider what kind of precedent it wants to set for cooperation in Northeast Asia. Successful management of the positive relations with ROK and China not only have significant ramifications for U.S. policy in the short term, but in the long term as well, and in issues beyond proliferation and terrorism. Washington needs to keep sight of that.





# Understanding South Korea's Younger Generation and Anti-Americanism

By Dorothy Stuehmke

## Introduction

The victory of the Uri Party in South Korea's April 15 National Assembly elections underscores a shift in the major factors that influence politics, from that of regionalism and class to age, exemplifying how the younger generation's views are impacting politics in South Korea today. This younger, more progressive generation is a product of the post-Korean War era, and its experiences with democracy, industrialization, and nationalism have influenced its attitudes toward North Korea and the U.S. in a very different way from that of South Korea's older generation. As evidenced by the many demonstrations and candle-light vigils organized and attended by this younger generation, this group is responsive to events and passionate about expressing its views, including its frustration with the U.S. As South Korea's demographics continue to evolve, and as North Korea continues to be a source of contention between the U.S. and South Korea, an understanding of South Korea's younger generation's views is essential as these individuals will continue to move into South Korea's political arena, impacting U.S.-ROK and North-South Korea relations. This essay therefore discusses the characteristics of South Korea's younger generation and anti-Americanism, the correlation between these two phenomena, and the impact of this relationship on the present and future of U.S.-ROK relations.

## South Korea's Generation Gap

South Korea's older generation can be defined as those with firsthand experience of North Korea's attack on South Korea, the devastation of the Korean War, the loss of family members and the ideological differences between their fellow countrymen as a result of the Cold War. These experiences have shaped this group's political views and feelings toward U.S.-Korea relations as well as North-South Korea relations. To this day the older generation remains for the most part pro-U.S. and is supportive of "containing" the North. In general, this group also continues to harbor Cold War, anticommunist sentiment and remains wary of a national unification strategy that engages the North through diplomatic negotiation. This generation, however, is slowly decreasing in numbers.

In its place is South Korea's younger generation, which can be defined in general as those in their 20's, 30's and 40's. Included in this group is the '386' generation, defined as those South Koreans who, during the 1990s, were in their 30s, attended university in the 1980s, and were born in the 1960s. This generation has both experienced South Korea's rapid economic development and heavy industrialization period and engaged in the turbulent democratization process that accompanied it, or has grown up in a largely post-industrial era during which the South Korean government's policy toward North Korea has leaned in favor of diplomatic engagement. The younger

generation has also experienced a rise in nationalism vis-à-vis Korea's democratization process, the 1988 Seoul Olympics, and the 2002 World Cup. In addition, the proliferation of internet usage in Korean society over the past decade has exposed it to non-mainstream media sources that offer more critical views on the U.S., something the older generation did not experience. Furthermore, as the younger generation did not live through the Korean War, it did not experience the same loss of family members to the war or to the North. Finally, as it did not experience the U.S. military intervention and economic aid during the Korean War, it views the overall U.S.-ROK relationship as unfair, and economically and militarily dominated by the U.S.

The younger generation's experiences have also shaped a different, more progressive viewpoint on North-South Korea relations, with which their elders disagree. Influenced by the Sunshine Policy's objective of reducing tensions on the Peninsula through dialogue, exchange, and confidence building measures with the North, the younger generation's perception of the North as a communist enemy has been transformed. Although this group believes the North Korean government is not fully reliable, the objectives of the Sunshine Policy have imprinted on the minds of the younger generation a decrease in the threat of war on the Korean Peninsula. As a result, this group believes that the U.S. 'hard line' policy toward the North only complicates North-South Korea relations. Their dissatisfaction with this policy has resulted in negative attitudes toward the U.S., which could threaten the future of the U.S.-ROK relationship.

### **Anti-Americanism and South Korea's Younger Generation**

Anti-Americanism is not a new phenomenon in South Korea; its roots are complex and have been shaped by various events since the onset of the U.S.-ROK relationship. Although anti-Americanism has been linked to Status of Forces Agreement (SOFA) demonstrations, a study conducted by RAND, reveals that anti-Americanism has little to do with rejecting the American military presence, as the majority of South Koreans feel the U.S.-ROK security alliance is important and should be maintained for a secure Korean Peninsula.

How can anti-Americanism be defined then? Among the top reasons South Koreans dislike the U.S. are the selfish pursuit of the U.S. own interests and benefits, disrespect toward Koreans and past problems, and for their hard policy toward North Korea. Based on this, one interpretation of anti-Americanism is not that it equates South Korean's with being anti- or against Americans or the U.S.-ROK security alliance; rather it is a demand for respect and for a more fair and equal relationship between South Korea and the U.S. This can be seen in the SOFA revisions they demand and the emotional frustration they feel toward the U.S. that South Korea's voice is not heard, for instance, in the U.S.-ROK bilateral relationship in the pursuit of a resolution on the Korean Peninsula.

A distinct connection exists between negative attitudes toward the U.S. and the younger generation. In a Gallup Korea survey taken in December 2002, 76 percent in their 20s, 67 percent of those in their 30s, and 53 percent in their 40s had negative

attitudes toward the United States. Although the older generation is included in this data, (26 percent have negative attitudes toward the U.S.), the younger generation exhibits more pronounced unfavorable attitudes toward the U.S. as a result of their post-Korean War experiences. Additional data reveals a strong link between the more educated young generation and negative attitudes toward the U.S. This suggests that those who carry the most adverse sentiment will most likely be the individuals who, based on their educational background, will move into positions over the next decade or two which will enable them to inform policy.

The younger generation is an extremely responsive and vocal group in South Korea. Anti-Americanism seems to peak and manifest itself most prominently in response to events among the younger generation, such as President Bush's "axis of evil" speech in February 2002 and the acquittal of U.S. soldiers involved in the armored vehicle accident in Uijongbu City in December 2002. As evidenced by the Uri party National Assembly win in response to Roh Moo-hyun's impeachment, this group has the collective power to sway the outcome of an election in South Korea. South Korea's younger generation's interpretation of events that they feel either place their country in an unfair position within the context of the U.S.-ROK relationship or complicate North-South Korea relations creates a negative sentiment toward the U.S. If the U.S. and South Korea's older generation continue to overlook anti-Americanism among the younger generation, it could jeopardize the U.S.-ROK relationship.

## **Conclusion**

An acknowledgment and understanding of South Korea's generation divide will have a huge impact on improving U.S.-ROK relations, and ultimately the maintenance of a stable Northeast Asia. This should begin with the U.S. recognition of South Korea's generation gap, the underlying message of the younger generation's anti-Americanism, as well as their attitudes toward North Korea and unification. In addition, South Korea's older generation's acceptance and understanding of the generational differences in their country is also necessary, as is their role in communicating to the younger generation the reasons for their support of strong U.S.-ROK relations. This must be done in a way that neither rejects the younger generation's views nor seeks to alter them, for this could create only further negative sentiment among the younger generation. As the generational divide will continue to influence the future of South Korea's political climate, South Korea's engagement policy with the North, as well as the broader scope of U.S.-Korea relations, both the U.S. and South Korea's awareness of these issues can create a foundation upon which both countries can improve their relations, and in turn pursue a unified, long-term consistent approach to diffusing the North Korea nuclear crisis. This will have far-reaching implications for the future of U.S.-Korea relations and the maintenance of stability in Northeast Asia.



# Managing ROK-U.S. Cooperation on Relations with China

By Sun Ru

## Introduction

The triangle relationship among China, the Republic of Korea, and the United States started with the Korean War, which not only reinforced the confrontation and partition in Korean Peninsula, but also resulted in long-term hostility between the warring sides. The ROK-U.S. alliance, the by-product of war, has been regarded as an instrument of the U.S. containment strategy and a grave challenge to China's security.

The dichotomy between friend and foe could not reflect the reality of the whole situation in Northeast Asia, especially when China and South Korea realized the normalization of diplomacy in 1992. In fact, the current overall atmosphere could not be much better. China has enjoyed good relations with both South Korea and the United States. After just a decade, China and ROK relations have developed so vigorously that both sides agreed to build a "Comprehensive Cooperative Partnership" in 2003, a further step to solidify mutual friendship. In the meantime, the China-U.S. relationship has been smooth and stable against the backdrop of international terrorism, marking a contrast to regular ups and downs before Sept. 11. From China's side, the simultaneous good relations among the three countries conveys significant security implications. First, China's concern about the ROK-U.S. alliance has been diluted due to growing economic interdependence. Second, the cooperation is reshaping the feature of the Korean Peninsula environment; thus, it becomes a new starting point to understand the Northeast Asia situation.

## Mutual and Divergent Interest in Dealing with the North Korea Nuclear Issue

The recent cooperation among China, the ROK, and the U.S. relies on the expanded common interests in dealing with security challenges, which involve both traditional security issues such as nuclear weapons proliferation, and non-traditional security issues such as diseases, environmental pollution, organized crime, etc. Among these security challenges, the imminent challenge for all parties in the region is the North Korea nuclear issue, on which some consensus has been reached. For fear of a domino effect, all parties agreed that the Korean Peninsula should be nuclear free and favor a peaceful resolution.

Besides the shared goals and principles, there are basic differences over how to manage the nuclear crisis. China and South Korea tend to take a persuasive approach to induce North Korea to the negotiating table, while the U.S. appears to be tougher than before. The U.S. may not renounce a preemptive strike against North Korean nuclear facilities, but China could hardly imagine and afford such an alternative.

Some differences are based on respective perception and judgment. On the U.S. side, the Bush administration is more skeptical of the intention of North Korea than was the Clinton administration. Influential U.S. officials claim that the behavior of North

Korea is unpredictable, North Korea must change its behavior and become a “normal state,” to join the international community. However, China does not see eye to eye with the U.S. over many aspects of North Korea. For example, China has an ambivalent attitude on the sources of threat in this region. It also avoids the question which side first broke the 1994 Geneva Agreed Framework agreement. With regard to North Korea’s behavior and intentions, many Chinese scholars believe that the true motivation behind North Korea nuclear program is to safeguard its own national security and economic development rather than challenge U.S. predominance. As we know, North Korea has tried small steps to carry out Chinese-style “open door” policy, but the external environment has not been safe enough for it to make a bolder step.

Compared to the first nuclear crisis, benign interaction among the major powers proves to be a positive factor in pushing for a multilateral solution, but it could not replace bilateral negotiations between the U.S. and North Korea. Although U.S. Secretary of State Colin Powell defined the North Korea issue as a regional problem, it remains intrinsically bilateral. Without substantial compromise between the both sides, a breakthrough can not be reached. The U.S. insists that the DPRK first dismantle the nuclear program “completely, verifiably and irreversibly,” while North Korea insists on a simultaneous package solution. The wide gap makes any quick solution unlikely.

China is walking a tightrope in the North Korea issue. On one hand, China could hardly turn its back on an old ally at this particular juncture. On the other hand, by putting national interest first, China has pursued its policy in a more pragmatic way. In the first Korean War, China dispatched troops across the Yalu river to support communist internationalism, but now, China is far less enthusiastic about ideological passions. Should another Korea War break out, it is unclear whether China would send its troops again.

As the mediator, China has been working hard to organize the talks, but it could not go closer to either U.S. or North Korea, otherwise, it will lose trust from both sides. This delicate position causes skepticism. Some U.S. scholars remind their government that China could prove to be more a part of the problem than of the solution, and others question China’s influence over North Korea. To stave off such misgivings, China needs to make further efforts to steer the issue toward a peaceful solution.

It seems that South Korea does not keep pace with the U.S. Being unsatisfied with its marginalized role in the first nuclear crisis, South Korea tries to have a bigger say and play an independent role this time. Despite the unresolved nuclear issue, inter-Korean ties have not been discontinued. South Korea opposes a comprehensive embargo against the North. On the relevant issue of proliferation and WMD (weapons of mass destruction), neither China nor the ROK joined the U.S.-sponsored PSI (Proliferation Security Initiative) in order to avoid isolating North Korea further. To sum up, China, South Korea, and the U.S have a common stake in maintaining regional peace and stability. China and ROK have no major conflicts over handling North Korea. In order to win a quick solution, perhaps the U.S. needs to readjust its position, stop its “wait-and-see” policy, and provide a concrete “road map” to break the impasse.

## **North Korea Issue and Northeast Asia Security Mechanism**

The North Korea issue intersects with a lot of issues. In particular, the renewed talk of a multilateral security framework comes into focus, parallel to the progress of the North Korea nuclear issue.

In the past, any proposal for such a multilateral framework would be labeled as “mission impossible” due to many obstacles, one of which was the U.S. bilateral alliance system. In addition, multilateral arrangements were seen as more a means than an end. Today, even if the U.S. alliance system does not dissolve, more and more Chinese scholars explore the possibility of a multilateral security framework in Northeast Asia. As a matter of fact, other parties also admit the inadequacy of existing mechanisms and welcome the idea of a permanent multilateral security institution. The consecutive Six-Party Talks are often viewed as a positive sign.

Hopes that such a mechanism is about to take shape could not substitute for solving the huge task. Before we associate the multilateral framework with Six-Party Talks, we should reexamine the factors that caused the failure of the “four-party talks.” If the “four-party talks” had succeeded, the second North Korea nuclear crisis might not have happened. The difficulties are also reflected in proposals to institutionalize the Six-Party Talks. The working groups, being proposed in the second round of Six-Party Talks, have not worked until now.

There are many questions to answer: why does the institution-building process move forward so slowly? What are the obstacles? Since all parties highlight the importance, necessity, and possibility of such a mechanism, and more common positions in this issue than in North Korea issue, why do they not make the first step? Would the U.S. agree to transform Six-Party Talks into a multilateral framework? Would China agree to discuss Taiwan issue in it? Would North Korea join such a mechanism? The answers are frustrating. The obstacles are there. All parties either have a “free rider” mentality, wanting to enjoy the benefits of multilateral mechanism without paying a price or they do not want to lose freedom of action; therefore, they would rather speak highly of it than take substantial steps. The mechanism itself might prevent potential threats in the future, but first and foremost, building it has to give way to the resolution of North Korea issue.





# Mutual and Divergent Interests of the PRC with the U.S. and the ROK in Solving the North Korea Crises

By Wang Qinghong

## Introduction

Whenever we discuss managing ROK-U.S. cooperation, which started with the establishment of the ROK-U.S. military alliance during the Korean War, we must also account for another major participant of that war, the People's Republic of China (PRC). And the PRC continues to be a key factor in ROK-U.S. bilateral relations. Actually, after the end of the Cold War in 1991 and the diplomatic normalization between the PRC and the ROK in 1992, the PRC-ROK-U.S. triangular relationship became the cornerstone of Northeast Asia security. As a result of its dramatic economic and military development, the PRC is playing a more and more important role in resolving regional crises, such as the North Korea crisis. Due to its traditional "brother-plus-comrade" relationship with the DPRK and its tight economic connections with the ROK and the U.S., the PRC stands in a unique position to contribute to the restoration of stability in the Korean Peninsula. At the same time, the PRC possesses both mutual and divergent interests with the DPRK as well as the ROK and the U.S. Early in the Post-Mao era, the PRC replaced communist ideological identity with China's national interests as the top priority in conducting international relations. So only after analyzing the mutual and divergent interests of the PRC with the ROK and the U.S. it is possible to correctly predict the PRC's position, influences, and decisions regarding the North Korea crises and the ROK-U.S. bilateral relations.

This paper begins with the history and background of the North Korea crises, the Six-Party Talks, and the PRC's position on and contribution to the restoration of stability in the Korean Peninsula. It then analyzes the PRC's interests in solving the North Korea Crises, and her similarities and divergences with other regional powers, especially the ROK and the US. Finally, it briefly examines prospects for the Six-Party Talks and other relevant issues regarding the stability of the Korean Peninsula.

## Background of the North Korea Crises and the PRC's Positions

The recent North Korea crises are the direct result of the end of Cold War. The collapse of the Soviet Union in 1991 brought about the end of traditional Soviet economic aid to the DPRK and caused its planned economic system to seriously malfunction, which in turn led to one of the greatest famines in Korean history. This famine lasted through the early 1990s, forcing approximately 300,000 North Korean refugees to flee to China, especially to its northeast provinces.<sup>2</sup> This is the well-known North Korean Refugee Crisis. The next heavy stroke against the DPRK came in the form of normalizing diplomatic relations between the PRC and the ROK in 1992. Although the PRC maintained her annual oil and food aid to (and a nominal alliance with the) DPRK,

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<sup>2</sup> Bonnie S. Glaser. "U.S.-China Relation and the Korean Peninsula: Managing the Current Crisis and Future Change," page 2.

the Kim regime felt deeply betrayed and reduced its “brother-plus-comrade” relations to its lowest levels in 40 years. As both a reaction to this betrayal and in order to have more cards in her hands to deal with her old enemies – the U.S., the ROK, and Japan – the Kim regime began a nuclear weapons program. Owing to the engagement policy adopted by the Clinton administration and the “Sunshine Policy” implemented by the ROK, North Korea ceased its nuclear program after signing the Geneva Agreed Framework with the U.S. in 1994. North and South Korea held their historic summit in 2000 after receiving a great amount of economic aid from the South. Due to her deteriorating relations with the DPRK and the great price she paid in her two previous involvements in the Korean Peninsula in modern times – namely the first Sino-Japanese War and the Korean War – the PRC almost kept silent from beginning to end during the first North Korean nuclear crisis.

After the Bush administration entered office in 2001, the U.S. government no longer tolerated the alleged criminal activities of the Kim regime (illegal weapons proliferation, counterfeiting, selling drugs, and kidnapping, etc.). It replaced Clinton’s “appeasement policies” with a new hard-line policy, which above all else stressed a change of leadership in North Korea. When the Bush administration labeled the DPRK as part of the “axis of evil” with Iran and Iraq after the Sept. 11 terrorist attacks, the Kim regime felt desperate and in 2002 resumed its nuclear weapons program in an attempt to avoid the fate of the Hussein regime in Iraq, resulting in the second North Korean nuclear crisis. Although the DPRK insisted on solving this crisis within U.S.-DPRK bilateral relations, the Bush administration did not believe North Korea would honor its commitments. They thus invited the PRC, which both had just begun to cooperate with the U.S. in anti-terrorism efforts and had great influence on North Korea, to hold three-party talks in April of 2002 in Beijing. With national interests at stake, China stepped into Korean Peninsula issues for the third time. Yet it was the first time for the PRC to play the key role of a responsible regional power, now trying to restore stability to the Korean Peninsula by peaceful means.

Beyond the expectations of the U.S., the PRC not only successfully brought the DPRK to the negotiation table twice (in August 2003 and February 2004), but also created a brand new Six-Party Talks. These parties are the PRC, the U.S., the ROK, the DPRK, Japan, and Russia. Although there is still a great gap between the U.S. and the DPRK, at least some agreements have been reached among the other five parties. These are summarized as the “three Nos”: no war between the North and South; no nuclear weapons; and no collapse of North Korea.<sup>3</sup> The third round of Six-Party Talks is to be held in June 2004 in Beijing.

### **The PRC’s Interests in North Korea Crises and Six-Party Talks**

Since the PRC-ROK-U.S. triangle is the cornerstone of Northeast Asia security, the U.S., the ROK, and the PRC play major roles in the Six-Party Talks, while the other three parties are just side players. As the focal point, Pyongyang believes its only alternatives are to either make dangerous movements to create more leeway for

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<sup>3</sup> Wu Xinbo. “U.S. Security Policy in Asia: Implications for China-U.S. Relations,” page 4.

bargaining or to wait for potential storming by the U.S. military. With visions of legitimizing the restoration of its military power in East Asia, Japan worries much about North Korea. The DPRK's nuclear weapons program, missiles, and kidnapping all threaten Japan's vision of the future. Russia has nothing in mind except maintaining as much influence in Northeast Asia as possible, but it is hampered by the poor state of its economy. The U.S. summarizes its top priority as "CVID" (originally invented by the ROK government). This acronym stands for the "complete, verifiable, irreversible dismantlement" of North Korean nuclear programs.<sup>4</sup> The ROK, as another big player, sets the reunification of Korea as its top interest. This has already resulted in minor conflicts between the Roh and Bush administrations.

Due to its rapidly growing economic and military capabilities and its traditional position as a major geopolitical power in Northeast Asia, the PRC is definitely taking the most crucial role in the Six-Party Talks, but its top priority is neither the elimination of the North Korean nuclear weapons program, nor the reunification of Korea, but the stability of the Korean Peninsula. There are at least four advantages and concerns to explain why the PRC adopts this position.

First, the PRC's internal top priority is its own economic development. It is thus extremely important to create and maintain peaceful regional circumstances, particularly on the Korean Peninsula, which borders China's biggest industrial region. The U.S. war in Iraq provides China with an example demonstrating the potential consequences of unilateral military action against North Korea. The results are anything but what China wants, including long-term regional chaos and a flood of North Korean refugees across China's border. This could ruin the positive trend in China's economic development and worsen the many domestic social tensions brought about by China's economic reforms. Likewise, the rash reunification of Korea might also bring about negative effects on China's economy. A case in point is the potential for the ROK to change its major investment destination from China to North Korea. Alternatively, if the Korean Peninsula remains stable, China might gradually persuade North Korea to enact economic reforms, thus allowing the DPRK to economically integrate with the ROK and China step by step before the political reunification of Korea.

To this end, during Kim Jong-il's two trips to China in 2000 and 2001, the PRC tried to give him some basic knowledge about market economics by showing him around Beijing and Shanghai's IT companies and stock markets. Ironically, however, after Kim established his own economic zone in Sinuiju in 2002 following China's model of Hong Kong, the PRC arrested Chinese businessman Yang Bin, who was appointed as the executive chief of the Sinuiju economic zone by the DPRK without agreement by the PRC, on suspicion of evading taxes in China. It shows that the PRC intends to play the dominant role in North Korea's economic reforms. Ultimately, the PRC considers any rash economic reform, which might create chaos in both the DPRK and China's northeast or might undermine North Korean economic dependence on China's guide, to be unwelcome. The PRC would like to see the six-party pattern develop into the framework for a Northeast Asia Free Trade Agreement (NEA-FTA).

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<sup>4</sup> James Kelly. "Six-Party Talks." <http://www.state.gov/p/eap/rls/rm/2004/30093.htm>

Second, maintaining the stability of the Korean Peninsula via Six-Party Talks will counter the unilateral tendencies of the U.S. and will increase the PRC's influence in regional security. The Six-Party Talks not only provides the PRC with the precious opportunity of playing a crucial role in regional security, but also provides Northeast Asia with a prototype of a diplomatic system for solving regional conflicts. Acting as a responsible major power in cooperation with the U.S. and the ROK, much like its cooperation with the U.S. in the anti-terrorism campaign, the PRC wins credibility from the international community and changes the negative image of China as a rising threat to regional security. The Six-Party Talks also have made Russia and Japan partners to share the PRC's economic burden in providing aid to North Korea and North Korean refugees. Six-Party Talks also set up a peaceful multilateral model for settling South China Sea disputes and the Diaoyudao Islands dispute.

Third, the PRC will have more cards to play in the Taiwan issue by maintaining the stability of the Korean Peninsula. First, since the 1961 China-DPRK treaty, which states that "if either were subjected to aggression by any state or group of states, the other would immediately render military and other assistance by all means at its disposal"<sup>5</sup> remains intact, the DPRK could not only play the role of the PRC's strategic buffer but also play the role of the PRC's strategic ally in potential China-U.S. conflicts arising over the Taiwan issue. This is definitely the worst and least likely scenario for everyone, but its strong image of destruction might give the PRC more to bargain with the U.S. and with other powers.

In the second scenario, the PRC could make a trade-off in the DPRK issue when it negotiates the Taiwan issue with other powers. Since many scholars and common people in China believe the PRC lost its best opportunity to take over Taiwan when war broke out between the North and the South in the Korean Peninsula, they believe that it is reasonable for the PRC to win back Taiwan by taking advantage of the North Korea issue. Or, in the third scenario, the PRC could adopt Chinese traditional "double face" strategy: the DPRK plays the "red face," the trouble maker, to challenge other powers, while the PRC plays the "white face," which makes compromises with other powers and takes advantage of crises. But this is a double-edged sword, which would stain the PRC's international image as the companion of the DPRK and as an opportunist.

Actually, if the Six-Party Talks could successfully resolve the North Korean crises, it would provide the fourth alternative scenario for pursuing the peaceful resolution of reunification between both sides of the Taiwan Strait. A "three-party-talk pattern" including the representatives from both sides of the Taiwan Strait and the U.S. might be able to find a peaceful way to realize China's unification.

Fourth, maintaining the stability of the Korean Peninsula will provide the PRC with a balance to the potential rise of a Japanese military power. Since the traumatic memories of the Japanese invasion still resonate with both the Chinese and Korean people, the PRC, and the DPRK share the same worries about the restoration of Japanese

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<sup>5</sup> Bonnie S. Glaser. "U.S.-China Relation and the Korean Peninsula: Managing the Current Crisis and Future Change," page 8.

military power. This is especially so after Japan for the first time since the end of World War II sent troops beyond its borders, this time to Iraq. To counter the rise of Japanese militarism, the Kim regime might be the perfect adversary, serving as the *Pokemon* of the PRC. But there might be a double backlash: on the one hand, the Kim regime might have conflicts with the PLA or jeopardize the PRC's interests as the Vietcong did in the past; on the other hand, the Japanese might use the threat of the DPRK as an excuse for promoting its military power. So, once again, it is much safer for the PRC to continue to cooperate with the U.S. and the ROK and use the PRC-ROK-U.S. triangle to contain Japanese militarism.

## **Conclusion**

Given that the DPRK is the key player in the Northeast Asian multilateral negotiation pattern, and with news of Kim's trip to Beijing in April 2004, demonstrating that the PRC tightly holds North Korea in hand, it may be safe to be optimistic about the future of Six-Party Talks. As long as the PRC and the U.S. do not have any direct conflict, most notably and most likely involving Taiwan, the PRC-ROK-U.S. triangle will serve as the fundamental security mechanism for Northeast Asia. The biggest constraint of Northeast Asian security is not how North Korea will play its new games, but in understanding the effectiveness of the PRC-ROK-U.S. triangle, and how to make it stronger.



# **Establishment of the Northeast Asian FTA and its Influence in the New Era**

By Zeng Qi

## **ROK-U.S. Relations in the New Era**

Since the end of the Korean War in 1953, the alliance between the United States and South Korea has played an important role in maintaining stability on the Korean Peninsula. Under the security umbrella of the alliance, South Korea has experienced not only unprecedented economic development, becoming Asia's third largest economy and the 12th largest in the world, but also a rapid political transition from authoritarianism to democracy. In return, the alliance serves the U.S. as an outpost for maintaining U.S. strategic leadership in Northeast Asia. However, recent years have seen some events indicating temporary disconnections in the alliance. The most immediate problem is, of course, the difficulties for Washington and Seoul in developing a consensus on how to address Pyongyang's nuclear crisis. In addition, Korean nationalism and anti-American sentiment aggravated by the dramatic shift in U.S. foreign policy since Sept. 11 toward unilateral action has undermined South Korea's confidence in the strength and durability of the alliance.

The differences between Washington and Seoul over how to deal with North Korea have worsened since ROK President Kim Dae-jung put forward his "Sunshine Policy." The Bush administration, instead of joining in engagement, regarded North Korea as part of the "Axis of Evil" and proposed using military force to foster the collapse of North Korea.

## **China's Growing Influence on the Peninsula**

China "has played an important role in promoting inter-Korean reconciliation and has managed to maintain some influence in the North – certainly more than most other outside players." In the Six-Party Talks, China has played a central role in trying to resolve the North Korea nuclear crisis. This has undoubtedly led to a closer relationship between Seoul and Beijing.

At the same time, the increasing trade between South Korea and China influences the significance South Korea attaches to relations with the U.S. Since the establishment of diplomatic ties in 1992, China-Korea trade has maintained a very high pace of development and the trade volume has continuously expanded. Beginning in 2001, China replaced Japan as South Korea's second largest export market and the ROK's total exports to mainland China and Hong Kong in 2002 outpaced its exports to the United States, thereby making China South Korea's biggest export market. By the year 2003, China has emerged as the number one destination of South Korean foreign direct investment (FDI) and South Korea is China's sixth largest investor.



## **The Possibility of Establishing the Northeast Asian FTA**

The gap between U.S. and South Korea in political ideology on North Korea, coupled with other tensions in the relationship mentioned above, will surely weaken the foundation of the U.S.-ROK alliance and could erode their relationship. As a result, South Korea may seek other political and economic partners to gain political and economic independence from the U.S.

The closer political and economic relationship with China and its geo-economic location may lead South Korea to think about establishing an alliance with Asian countries to form a Northeast Asia Free Trade Area (NEA-FTA), comprising the Russian Far East (RFE) Northeast provinces (Liaoning, Jilin, and Heilongjiang Provinces) of China, the Democratic People's Republic of Korea (DPRK), the Republic of Korea (ROK), Mongolia, and Japan.

In the era of globalization, location can be of great value. Countries that are closer geographically tend to have closer trade and investment ties. The number of regional trade agreements rapidly expanded in the 1990s. The spread of regionalism has been accompanied by a drastic increase in intra-regional and inter-regional trade, which has highlighted the importance of regional economies in world trade. In Northeast Asia, "the intra-regional trade share is high for the DPRK, the RFE, and Northeast China, with about half of their trade being conducted with NEA countries. It is surprising that trade between northeastern partners of the RFE represents about 50 percent, while the figure for the whole of Russia is only 6 percent. Similarly, Northeast China is more dependent on NEA than China as a whole." In addition, there is substantial intra-regional investment with the ROK and Japan investing in Northeast China and China, Japan, and the ROK investing in Mongolia. In some parts of Northeast China, ethnic Korean-Chinese, sharing the same culture and language with Korea, are a vital force in generating cross-border economic cooperation with South Korea. Taking Yanbian Prefecture in Jilin, China as an example, ROK business invested 50 percent of total FDI there.

Inter-Korea cooperation is also progressing after the inter-Korean summit meeting in June 2000. There are some possible projects listed on their agenda, such as the reconnection of inter-Korea railroads, energy cooperation, and the construction of the Kaesong Industrial Park. A sign of North Korea's intention to carry out a gradual reform and opening to the October 2002 North Korea announcement of the Sinuiju Economic Zone. The countries of NEA are highly heterogeneous in terms of factors such as population density, natural resource endowment, and the level of economic development etc. This diversity implies the existence of potential complementarity, which signifies great potential for economic cooperation. Through the combination of the rich natural resources of Russia and Mongolia, the high quality and cheap labor of China and DPRK, and the capital and advanced technology of Japan and the ROK, NEA could form an economic community. Despite the huge potential for economic cooperation in Northeast Asia, many obstacles remain, such as diverse political systems, lingering political issues such as territorial disputes, and lack of a "community spirit."



Apart from the complex political problems involved, there are at least two economic factors that militate against the formation of a free trade bloc in Northeast Asia. First, many countries in Northeast Asia are in transition from planned socialist economies to market ones. Each of the transitional economies, including Russia, China, Mongolia, and the DPRK, has domestic problems associated with the transition. For example, China has yet to transform its entire economy into a market-oriented system even though rapid growth in the east coast area has been quite impressive, and China needs to adopt Western standards in many areas, especially after entering the WTO in November 2001. Second, the “NEA suffered disadvantages in obtaining national support due to the region’s remoteness from capital cities. As a result, the northeastern regions of Russia and China tend to lag behind the rest of the country. For instance, Northeast China has many state-owned enterprises and dynamic reform is being awaited.” We can see that although some obstacles and difficulties exist, there are possibilities that a free trade bloc in NEA area will be formed. What is needed is a country (or countries) in Northeast Asia able and willing to take the initiative or play a leadership role to organize such a scheme.

### **The U.S. Role in the NEA-FTA**

Nominally, the establishment of a NEA-FTA is to realize a regional economic integration under which the U.S. is excluded. But from the global perspective, the U.S. will not be excluded because after integrating, the NEA-FTA, like other regional economic organizations such as the European Union (EU), ASEAN, and NAFTA, will gradually follow the trend of globalization, and the U.S., as one of the leading powers of will undoubtedly provide experience, technical skill, a legislative model, and financial resources to facilitate the establishment of the NEA-FTA.

In the early development of the NEA-FTA, anti-American sentiments may arise in Northeast Asia and there will be some adverse effect on the economic relationship between the U.S. and countries in the region. But in the long-term, after the trade barriers are removed and the markets unified, NEA-FTA will be more advantageous for the U.S. to further its economic participation in Northeast Asia: the U.S., instead of current bilateral trade relationships with the NEA countries such as U.S.-Korea, U.S.-Japan, U.S.-China, will interact with the whole trading bloc, under which a more comprehensive and deeper economic relationship in the NEA area will be established and maintained.

### **The NEA-FTA’s Influence on Regional Security**

The establishment of an NEA-FTA will lead to NEA regional economic integration. When there are different national interests among these countries, they will tend to use economic leverage to reach a peaceful compromise instead of resorting to force. Thus regional security will be greatly improved. The DPRK would become the biggest unstable factor in an NEA area because it has the most incompatible economic system. Under the totalitarian polity established on the basis of the Soviet-style planning economic system, the DPRK usually satisfies economic demand by force or other violent approaches.

Some scholars propose to use the military to rapidly change the regime in the DPRK. This would result in long-term chaos in the DPRK and instability in neighboring areas. Establishing the NEA-FTA is a peaceful and less costly way to alleviate the crisis in the Korean Peninsula. In the environment of regional economic integration, the DPRK will gradually open its door to the outside and undertake economic reform. The change of economic system will lead to the collapse of the dictatorship, which is the product of the planned economy.

Some factors make possible opening and economic reform in DPRK. First, China has provided a good example to the DPRK. After over two decades of opening and reform, China has accumulated a lot of experience in the transition from a planned to a market economy, which can be used as a reference by the DPRK. Second, the Kim regime has the intention to undertake opening and reform in the DPRK. In his latest visit to China from April 19-22, 2004, Kim Jong-il and Hu Jintao discussed such issues as economic opening and reform with the DPRK's characteristics, and the plan to invigorate the economy of the northeast China three provinces. Third, the ROK, China, and other neighboring countries are willing and able to provide material aid for the economic reform of the DPRK.

In a short, it is promising to establish economic cooperation in NEA. And the NEA-FTA will not only provide economic benefit to member countries but also will have far-reaching influence on regional security. The U.S. will play a unique and important role in the process of establishing and developing the NEA-FTA.

# To Establish a New Security Mechanism to Meet Future Challenges

By Zheng Yuan

China, the United States, and Republic of Korea are three major players that have great concern about the latest developments on the Korea Peninsula. Although they may have divergent interests, three nations also have mutual interests on the stability of the Korean Peninsula and the Asia-Pacific region. Cooperation among the three nations will be very important to establish a new security mechanism to deal with future challenges in Northeast Asia.

## **China's Strategic Interests in Northeast Asia**

China is focused on economic development as the central task. The basic starting point is trying to create a peaceful international environment for China's reform and development. For that reason, the stability of the region is especially important to China. China aims to establish friendly relations and cooperation with neighbor countries on the basis of the Five Principles of Peaceful Coexistence. China opposes any kind of expansionism and power politics.

Both North and South Korea are our neighbors. The stability of the Korean Peninsula is a great concern to China since it directly impacts China's national security interests. This was the major reason that China got involved in the Korean War 50 years ago. To a certain degree, whether we admit it or not, North Korea serves as a buffer zone for China. China does have important strategic interests on this region. After China and ROK established diplomatic relations in 1992, while maintaining good relations with North Korea, China had attached importance to the relationship with the South. That was an important adjustment of China's foreign policy. Since then, China's relations with the ROK developed faster than expected. While political, cultural, and personal ties are increasing and becoming much closer, the ROK has become an important trade partner with China. In 2003, the total amount of bilateral trade reached \$63.2 billion while the total amount of ROK's investment in China has almost reached \$20 billion. The relationship between China and ROK has entered a new era.

Specifically, China has several strategic interests in the region. One is to maintain the peace and stability in the Korean Peninsula. If war broke out on the Peninsula, it would worsen China's international security environment. It would also have a negative impact on the stability and economic development of Northeast China. Second, China hopes to maintain the power balance in this area. For geopolitical reasons, China will oppose any great power, whether the United States, Russia, or even Japan, that unilaterally breaks the balance in this region. Third, China believes that the Korean Peninsula should be a denuclearized zone. In China's view, any nuclear program for military use is not good for the peace and stability of the region. It will certainly do harm to China's own national security interests. Fourth, China wants to keep and improve its influence on the Korean Peninsula to make sure a future united Korea will be friendly

toward China. For that reason, China is trying to maintain and further improve good relations with both the North and South Korea. While this policy will be helpful to the peace and prosperity in this region, it will also improve China's influence on the unification of the two Koreas. Indeed, a united Korea that has good relations with China will also serve the Korean people's interests.

As we all see in recent nuclear crisis, China still has great influence on developments on the Peninsula. Anyway, China is a neighbor of North Korea and has a special relationship with it since the Korean War. According to Western statistics, China still provides most of fuel and about 40 percent of the food that North Korea gets from the outside world. Furthermore, China has maintained good relations with all sides involved in the Korean issue. All these factors determine that China can play a very active and positive role on the Korean issue.

On the current Korean crisis, the bottom line for China is to assure that North Korea will not be invaded by outside forces while maintaining the denuclearized situation in Korean Peninsula. That is why China is involved and insists on the use of peaceful means to resolve the current crisis: the peace and stability of the region is compatible with China's national interest.

### **Divergent Interests and Cooperation**

China, the U.S., and ROK do have mutual interests to cooperate with each other on the Korean issue. All three countries want to maintain some kind of stability and don't want the situation in Korean Peninsula to get out of control. However, the three countries also have divergent interests. It is understandable since every nation has its own national interests and thus different perspectives. China does have great strategic interests on the Korean Peninsula. Although the Chinese official position is to support reconciliation between the North and the South and eventually the unification of two Koreas, some elites in China think that to maintain the status quo is the best way to serve China's national interests. It is understandable since no country wants a new powerful nation as a neighbor. Of course, most elites in China support unification but hope that a united Korea will be friendly toward China. Under current circumstances, we are cautious about that prospect since the ROK is a U.S. ally and U.S. military forces are still based there. Indeed, the ROK regards the alliance with the United States as the base for ROK national defense. Former President Kim Dae-jung once publicly announced that U.S. military forces would remain in Korea Peninsula even after unification. It is reasonable for China to be cautious about that. Although current U.S.-China relations are pretty good, there are a lot of issues that have not been resolved, especially regarding the Taiwan issue. Frankly speaking, China and the United States are still suspicious of each other's strategic intentions. Indeed, China is cautious about any military alliance in this region.

In my view, both the U.S. and ROK have mixed feelings about China's role in this region. Although the United States wants China to get involved and influence North Korea during the crisis, it doesn't intend to let China play a dominant role in East Asia, including Korea Peninsula. (To a certain degree, China indeed plays a counterbalancing

role against any military attack from the United States.) Generally speaking, the United States is wary of the rise of China for geopolitical and ideological reasons. This is reflected in Washington's two-sided China policy of engagement and containment.

The ROK pursued its "Sunshine Policy" toward North Korea and tries to promote unification. However, it is very cautious about outside influences, whether from the United States or China. Some Koreans have expressed the view that the influence of great powers is indeed an obstacle to Korean reconciliation and unification. Another reason for South Korea's mixed feelings is that China is on the rise, which will inevitably change the strategic environment both in Northeast Asia and the Asia-Pacific. Although China tends to emphasize its so-called "peaceful rise," the outside world is still uncertain in which direction China will develop. Some countries are still suspicious of China's behavior. The U.S. and ROK will certainly cooperate with each other to deal with the challenge from the rise of China.

Despite being allies, the United States and ROK still have divergent interests based on the different situations they face. The core of U.S. Asia-Pacific strategy is to maintain the balance among great powers and strengthen the U.S. dominant role in this region. Potentially, the U.S.-ROK alliance can be used to check and even to contain the rise of China when it is necessary. In this stage, the United States is very cautious about reconciliation between two Koreas and the prospects of unification since it will lose the justification for its military presence and consequently its influence there will be diminished. (The U.S. also worries about the rise of Korean nationalism, which will be a disadvantage to U.S. strategic interests.) Indeed, to maintain the current situation, that is, no unification, no peace, and no crisis is the best choice to serve the U.S. interest in the foreseeable future.

Containing the threat from North Korea and maintaining the balance of power and regional stability are the common goals shared by the ROK and U.S. However, they may have different opinions with regard to specific policies. Whether due to geopolitical concerns or nationalist reasons, it is normal that the ROK would have different views with the U.S. on certain issues, especially those related to the Korea Peninsula. It insists on a peaceful solution to the crisis on the Peninsula. While the ROK is a U.S. ally, it also develops good relations with China and hopes that U.S.-China relations are stable and healthy.

The Bush administration's tough policy toward North Korea made the ROK uncomfortable. Although the ROK cannot accept nuclear program in the North, it also opposes any kind of sanction at this stage. On the contrary, the ROK sticks to the Sunshine Policy and tries to help the North overcome current economic difficulties. The U.S.-ROK alliance is a product of the Cold War. The basic goal of this alliance is anti-communism. However, they were not equal since the United States dominated decision making in the past. The end of the Cold War and the democratization in the ROK had a subtle impact on the U.S.-ROK alliance. The U.S.-ROK relationship has evolved from the military alliance to a more equal, normal, and comprehensive relationship. The rise of nationalism in the ROK and the self-consciousness of independence also have had some

impact on the U.S.-ROK alliance. In my view, this subtle change has a positive impact on the security situation on the Peninsula. The reason is simple: the ROK is able to make its own choice and to check the hawkish actions taken by the United States. The Korean Peninsula is still a hot spot where war remains a risk. Considering several major powers are involved, it is necessary for the three nations to keep consulting and cooperating on issues concerned.

### **New Security Mechanism for the Future Challenges**

Since the Korean War in the 1950s, the Peninsula remains subject to the conditions of the armistice agreement. That means the relationship between North Korea, on one side, and the U.S. and ROK, on the other side, is still hostile. The Cold War has been over for more than one decade; however, this region is still shadowed by a hot war. Indeed, the security crisis in the Korean Peninsula consists of two aspects. One is the North Korean nuclear program, and another is the military confrontation between the North and the South. And this situation creates a kind of security dilemma. On the one hand, the United States strengthens its alliance with both Japan and the ROK and begins to deploy theater missile defense program in this region, using the Korean threat as an excuse. The targets are North Korea and potentially China. On the other hand, North Korea worries about possible U.S. military attack while watching the U.S. invasion of Iraq and thus tries to develop a nuclear program in order to ensure its security. While the old armistice arrangement cannot deal with current political and economic developments, a new security mechanism has not been established. This transition period is difficult and even dangerous. All sides must consider ending the hostility in the region and making security arrangements to deal with the current and future challenges.

The current Six-Party Talks in Beijing give us a good opportunity for consultation on a new security mechanism. The first step is to ease the nuclear crisis through dialogue and negotiation. During this process, a package deal should be made. One of these is to end the military confrontation between the North and the South. As a sole superpower, the United States should give up its intention to use military force against North Korea. North Korea is a small country with severe economic difficulties. Any exaggeration of the threat from North Korea is unreasonable. Both sides, especially the U.S., should take concrete steps to realize reconciliation and normalize their relationship. As a result, some kind of peace mechanism will be established on the Korea Peninsula. Based on that, the countries in this region should come together to consult among themselves on new security arrangement in Northeast Asia. It will be a long process since it takes time to improve mutual understanding and trust. Taking current reality into consideration, the patterns of future regional security arrangement will be both bilateral and multilateral. The goal for that is surely mutual security and prosperity in this region.

**Chapter II:  
Toward a Stronger Foundation for  
United States, Japan, and China Relations**

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# Toward a Stronger Foundation for United States, Japan, and China Relations

By Alexander Brenner

Despite protestations from the Benelux countries, the Sino-Japanese-American trilateral relationship is easily the world's most important. Already, the three countries boast the world's three largest economies by purchasing power parity, and it won't be long before China passes Germany to become the third largest economy by market valuation. Although Beijing's numbers are fuzzy, China has or will soon have the world's second largest defense budget, with spending likely to continue rising. This means that these three nations have now or will soon have the three most well-funded militaries in the world. How these three heavyweights get along, needless to say, is of crucial import to Asia and the world.

Take the fraught histories between the three countries, each of which has been involved in major wars against the others; consider that each of the three provides the others with indispensable export markets; add feelings of ethno-cultural superiority and easily excitable patriotic/nationalist sentiment; factor in their potential deepening competition for energy as the world's three major importers of oil; top it off with differing views on flashpoints like Taiwan and North Korea – all this makes for complex, high-stakes relationships.

This is the background against which to ponder “the common economic, security, and political objectives that three countries share, and likewise, what objectives they don't have in common.” In the context of this essay, instead of discussing which objectives we do or don't share, I will comment on the topic that interests me most: how do we go about actively creating an environment in which common objectives generate themselves. Any discussion of “objectives” must take into account one's worldview, so I should expose my own theoretical bias. First, however, I want to comment on another theory, realism, as 1) the current U.S. administration's China policy owes much to it and 2) it has been very influential in the Chinese foreign policy community.

If you're a realist sitting at your desk in Washington, you might have been perfectly glad to watch Japan stagnate these last years. Sure, a bit more growth would have meant a more robust market for U.S. exports, but while Japan was floundering through the '90s we were padding our superpower status – and we were perfectly happy to throw away those books entitled *Japan As Number One*. Which reminds you, you certainly don't want to see China continue to rise, prompting the writing of even more of books. You might even openly announce that America will discourage any other power from equaling its military preeminence.

Needless to say, this is not the kind of objective that the current Chinese government, or any other government, finds reassuring. Indeed, a realist worldview based on competition among nation-states takes as given that there are some objectives that states can never share. As globalization shrinks the planet, it seems to me such a

worldview is not just misguided but dangerous: in the end, it must be tinged with distrust of the other that will create the need for “balancing” or, if you happen to be the hegemon, for taking steps to make sure no one catches up.

My own theoretical bias owes much to a constructivist approach that highlights the connected processes of identity formation and interest formation. My time in China as a teacher and student has drawn me to this approach. On university campuses here I have encountered many bright, otherwise open-minded students who emphatically proclaim “I hate Japanese people” – and then immediately go on to admit that they, like most of their peers, have never actually had a conversation with someone from Japan. I have found that simply pointing out the potential incongruity of hating an entire group of people of whom you’ve never met a single representative, giving statistics for the support for pacifism among Japanese, discussing my own experiences in Japan, etc., can have a real impact; they are willing to think things over.

I realized from my contact with my students that I was the first person in their lives who has ever made them defend their hatred of Japanese people – a piece of their identity formed through the media and educational system and that has become engrained entirely without question. The result is not so much to change minds as to add a bit of weight to the individual human, to layer their identities, to divert their path ever so imperceptibly, leading them to careen into the next person at a slightly different angle. In fact in discussions in seminars or office hours it was obvious when students were bouncing off each other in new directions – constructivism in action on the individual level.

According to a recent Chinese Academy of Social Sciences survey, only 5.9 percent of Chinese polled identified Japan as “friendly or very friendly” – and this at a time when Sino-Japanese educational and economic ties have never been more extensive. These numbers may sound like a call for pessimism, but I’ve found the distance between hating Japanese people and being willing to reconsider the issue is actually quite short. On a society-wide level this distance is obviously much greater. However, if the European Union teaches us anything it is that trust and common objectives may be constructed atop fierce, long-standing hatreds. (Asian nations have been taking steps in this general direction through organizations like ASEAN Plus Three, APEC, and ARF. Nonetheless, an Asian multilateral organization on an EU model would seem many decades off – to say nothing of the chance of U.S. involvement in some such supra-national political entity).

Are we being creative enough in addressing the underlying causes contributing to tensions between our countries? Can we even agree what these causes are? (Propaganda-fed domestic opinion in China? Apathy in Japan? Ignorance in the U.S.?) I found my students’ willingness to take a fresh look at their own views very encouraging – but how to encourage this process on a broad scale where it could actually contribute to more stable relations? Given the growing importance of the U.S.-China-Japan relationship, can’t we find more imaginative ways to jumpstart the process of constructing common objectives?

# Regenesis of the People's East Asia

By Masuo Chisako Teshima

Many people believe that Japan, United States, and China are the most influential countries in East Asia and they can configure the future international order in this region. However, at the Pacific Forum, Research Institute for Peace and Security, and the China Institute of Contemporary International Relations trilateral conference held Aug. 3-4 in Beijing, participants showed different attitudes toward each of the bilateral relations among those countries. Accepting a mature and favored U.S.-Japan relationship as a given, many participants basically believed in the possibility of successful maintenance of the China-U.S. relationship which is potentially sensitive over the Taiwan issue. Speakers from the United States and China, whether intentionally or unintentionally, seemed to ignore China-Japan relations, which are filled with hot topics such as China's energy exploration in East China Sea and rising nationalism against Japan. Their posture showed how difficult it is to approach the roots of the bilateral problems between China and Japan. After the main conference, the Young Leaders from East Asian countries held a meeting. Many of them showed strong concern over the negative influence that the current China-Japan relations could bring to the region, and they demonstrated a willingness to act against the present misunderstandings and distrust between the two countries.

I believe that China-Japan relations will become a key obstacle to greater East Asian regional integration. It is one of the pillars for the regional order but is experiencing significant qualitative changes. I also recognize this issue is representative of difficult situations we face in this region. East Asia is diverse in many aspects, such as in political systems and the degrees of economic development and national unification. When people with different backgrounds and convictions start to meet more frequently, it is natural that the new conflicts and disagreements will arise among them. Therefore, in some degree, confronting the China-Japan relations is equal to thinking about how to solve other regional problems, such as Taiwan issue.

Certainly, nationalism is the biggest concern in China-Japan relations. During my stay in Beijing, the final game for the Asian Cup soccer match was held between China and Japan on Aug. 7. It showed that the problem resulted not only from a simple hatred but, rather from serious misunderstandings and deep distrust of the others. Both Japan and China criticized each other severely without really knowing why the others acted as they did. Chinese public opinion about Japan had been very controversial over the years, but this time the Japanese public's impressions of China were seriously damaged, probably much worse than the 1997 incident when Jiang Zemin lectured the Japanese emperor about history.

In late July of 2004, Chinese sports fans hooted and booed the Japanese soccer players every time they made a successful play at the soccer games in Chongqing. Since the event was carried live on television, sports fans and ordinary people in Japan were shocked to see such irrational behavior by Chinese fans and began to understand how seriously Japanese were hated in China. Trying to explain this phenomenon, Japanese

mass media argued that it was because of Chinese nationalistic education since the early 1990s that focused on the Chinese Communist Party's fight against Japan during the Pacific war. However, based on my frequent communications with young Chinese friends, I believe the cause-and-effect direction is totally opposite from this explanation.

In the old days, leaders from both China and Japan could make important decisions on bilateral relations, such as normalization of the two countries, almost independently from their people. (They might have worried about opposition from political rivals, but not so much about public opinion in their countries. Competent bureaucrats supported decision-making and execution in general.) However, pushed by economic globalization and changes in their societies, the public in both countries is now exercising a greater influence on policy makers in bilateral relations. This trend is increasingly obvious in China where political liberalization has loosened the government's control over information and people's ways of life. What is now arising in China is not the government's control over education against Japan. It is rather the uncontrollable criticism and anger of the Chinese people who have gained more political freedom, and against Japan and the Chinese government's compromise with Japanese who have long ignored the true resolution of historical issues without what may be generally perceived as much concern for the Chinese people's feelings. However, the Japanese public does not recognize that the Chinese are demanding a reconsideration of historical issues, and solely condemned the Chinese government for how its educational system teaches attitudes toward Japan.

Faced with the unusual Japanese reactions, if China accused the Japanese mass media of exaggerating reports on the incident, claiming the Japanese intentionally did so to give a bad impression of China. It was also natural for them to think in this way, because they didn't know how impolite the Chinese behavior really was. The Chongqing matches were not reported on general Chinese televisions because the Chinese team was not involved. The police in China were frightened by the actions taken by the fans (fearing that they could lead to a social disturbance), so the Chinese government started to control reports about this issue. At the final game in Beijing which was watched by many Chinese, the TV camera didn't show any of the fans at the stadium, and booing during Japanese players' entry and playing of the *Kimigayo* (national anthem) were displaced with normal cheers just like those in many other games. After losing to Japan, angered Chinese fans attacked one of the Japanese minister-counselor's car destroying the rear window, but this incident was hardly reported in China.

The Chinese government's control over information might have been necessary to avoid friction between the two countries. Nonetheless, as a result, many people in China believed the Japanese media was irrationally exaggerating what happened in China, and people in Japan were convinced the Chinese government is strong enough to control its public but was not making sufficient efforts to do so. The asymmetrical domestic systems and a corresponding lack of knowledge of the other system deepened misunderstandings between the two countries. Compared to the Cold War, ordinary people are rising as significant actors in bilateral relations. This trend began in the late 1990s, and indicates

that Japan and China relations will become more difficult in the near future until relations and understanding between the common people become stable.

When we think about China-Japan relations, it is also important to pay attention to the interdependence between the two countries. At the basis of the current pessimistic news such as the soccer games and the Zhuhai and Xi'an incidents, lies the fact that the relationship between the two countries is expanding. Both Japan and China are no longer able to consider economic developments without considering the other. Increasing human contacts surely brought negative effects such as crime and prostitution, but we cannot ignore that the number of people who enjoy daily professional and business contacts and friendships with individuals from the other side is also greatly expanding.

Recognizing the importance of these trends, one should question the legacy of nationalism in Asia. Looking back, it is clear that the East Asians didn't really have a concrete idea of the nation-state until the mid-18th century. Zheng Chenggong, who is now treated as a national hero both in the mainland China and Taiwan, was born in Hirado, Japan, the child of a Chinese trader and his Japanese wife. My hometown, Amakusa, doesn't have a folk tale about a Japanese shogun but about a Chinese emperor who ran away from China when his dynasty ended. These indicate there used to be frequent exchange between China and Japan along their peripheries. At that time there was no clear national border, and people came and went relatively freely as long as the environment allowed them to do so. It is certain they also liked and disliked some individuals who came from the overseas, but there was no national animosity.

When Western ideas reached East Asia, every country in this region sought to oppose European and U.S. powers by transforming themselves into strong nation-states. The earliest successor in this effort was Japan, but in the end it invaded other countries in the region leaving deep wounds inside the newborn nationalism among the victims. But we cannot solve the problem by emphasizing the importance of national pride and denouncing the countries on the other side forever. Rather, it is time to relativize the notion of the nation-state, by rethinking relations between nationals and their governments and recalling and building on the natural exchanges and ties among people in the region. Economic connections, geographic closeness, and similar cultures may serve as bonds between the two countries. Only by doing so, can we be able to understand each other, to overcome our narrow nationalism, and to move toward the real reconciliation between people in the coming era.



# Beyond Economic Ties: To Strengthen the Japan-U.S. Alliance, Japan Needs to Look More to China

By Li Fan

In the July 2004 Upper House election, the Liberal Democratic Party (LDP) failed to retain the target number of seats and was outperformed by the Democratic Party of Japan (DPJ). Apart from many domestic concerns, Prime Minister Koizumi Junichiro's decision to deploy Self-Defense Forces in Iraq was frequently criticized by the DPJ and other opposition parties during the campaign. However, none of them managed to propose an alternative to Koizumi's insistence that "Japan has no other choice but to follow the United States."

Many Japanese tend to think that Japan-U.S. relations involve just the two countries. But in reality, the alliance, both from a historical and current perspective, is part of a triangle of which China constitutes one corner. In other words, the Japan-U.S. relationship is about the China-U.S. relationship. The Chinese element is always entwined at the base of Japan-U.S. relations.

Almost every Chinese my age has heard about the "Flying Tigers," the American volunteer groups that boosted Chinese air defense during the China-Japanese War. The U.S. government sponsored the group in early 1941 before it was officially assisting in the war. Influential people such as Henry Luce, the chief editor of *Times* and founder of *Life* magazine who was born and grew up in China, played a very important role on leading public opinion sharply against Japan.

Ironically, because of his strong ties with Chiang Kai-shek, Henry Luce became one of the instrumental figures in steering U.S. foreign policy against the Chinese Communist Party after the war. The U.S. government failed to officially recognize the People's Republic of China until 1972. This 20-year blank page between China and U.S. gave Japan a chance to rise from the ashes under the guidance of the United States. If the U.S. and China had created an alliance in the Asia-Pacific region right after the war, history would be a completely different story.

In the early days of the George Bush administration, people thought that U.S.-China relations had chilled in comparison to the Clinton days, but the Sept. 11 terrorist attacks and the Six-Party Talks on North Korea have changed the tide. The last three years have witnessed frequent summit meetings between China and the United States. President Bush met with President Jiang Zemin at the Shanghai APEC informal summit meeting in October 2001. Four months later, Bush kicked off his working tour of China. Two meetings between Chinese President Hu and President Bush in 2003 were followed by Premier Wen's trip to the United States in December 2003. Given this, U.S. Secretary of State Colin Powell commented in a speech this year that U.S. relations with China "are the best they have been" for the past three decades.



For three-quarters of the 20th century, Japan maintained ties with Anglo-Saxon societies, first with Britain, later the United States. Many Japanese consider their country prospered most during those years. However, the biggest weakness of Japan's diplomacy is its failure to develop a strong base for relations worthy of mutual trust with its neighbors.

A dogma of the China-Japan relationship after 1949 is the 'three-stage theory.' The first stage consists of non-governmental, individual exchanges led by a group of people with great enthusiasm for normalizing the relationship between the two countries. The second stage is government to government dialogue following the normalization in 1972. The third stage consists of business partnership stimulated by the rapid growth of China's economy and increasing investment to China from Japan. The two governments have apparently decided that pragmatism should prevail over the conflicts caused by reasons known to all, but the bad news is at the grassroots level: rising "anti-Japanese" feeling among the young generation in China created nervous public sentiment in Japan. I have observed and was concerned about an even worse attitude toward Japan held by the majority of Chinese who have absolutely no interest in Japan.

It's not fair to blame Japan for all accounts. However, with a lack of long-term insight toward the China-Japan-U.S. triangle and a clear acknowledgement of its own identity as an important Asian country, Japanese government's recurring "annual event" of Yasukuni Shrine visits to prove that it already escaped the shadow of war, followed by a compromise on official development assistance toward China to ease the anger of the Chinese government, is leading the relationship nowhere.

Both sides are looking forward to a peaceful and stable relationship that is essential to security and prosperity in the Asia Pacific region. Many things could be done to help the process along. One endeavor is to go back to fundamentals at the grassroots, people-to-people level.

The Young Leader's session of the three-day conference on U.S.-Japan-China Relations in Beijing reflects at least two things: Number one, the majority of the Chinese young generation are seen as "the leading power" of anti-Japanese movement and are not fully aware of many important facts about Japan, such as public opinion regarding Koizumi's visit to Yasukuni Shrine. Number two, under the right circumstance, young people from both countries could be very flexible and open to new ideas and different perspective. More than 120,000 Chinese live in Tokyo; Chinese with a positive living experience in Japan are a powerful force to provide a different and more informed perspective on Japan.

Another option is cooperation between NGOs (non-governmental organizations) and grassroots organizations. Exchanges between NGOs in Japan and China are very small compared to the other countries. Know-how and experience of Japanese NGOs, which could be a good reference to the growing civil society sector in China, is not well enough acknowledged by Chinese NGOs.



The Chinese government has recently approved a new regulation for the registration and management of foundations, effective from June 1. For the first time in China's growing body of non-profit law, the foundation regulations explicitly address not only Chinese but also international organizations. Moreover, the legislative intent may have been to create a registration and supervision procedure for all international NGOs working in China, which would create a potential mechanism for transnational NGOs to establish mainland China chapters, with a fully Chinese identity, instead of merely being an international representative or program office. A number of transnational NGOs from the U.S and Europe have already announced they are ready to take the move, nearly all of which see their work at least partly in the light of "advocacy."

The door to increasing contact between the two peoples is officially open; it would be a shame for Japanese NGOs to be left behind.



# **Toward a Stronger Foundation for United States, Japan, and China Relations**

By Li Jun

In Northeast Asia, China, the U.S., and Japan maintain a triangular balance system, in which the trilateral relationship of China, the U.S., and Japan shows a mixture of cooperation and competition. If the trilateral relationship is compared to a triangle, China-U.S., China-Japan, and U.S.-Japan relation are not equal in length. The U.S. and Japan are full partners in politics, military, and economics; China and Japan share mutual benefits in the economic relations, while in politics and culture, they do not behave as they peers; China and the U.S. mutually benefit in economics, while in general, they are in strategic confrontation.

Although the U.S. is the only superpower in the world, it cannot act freely in this region. The Northeast Asia strategy of the U.S. depends on rational policy decisions based on strategic interests. In Japan's perspective, it is not ideal situation to excessively depend on the U.S. In fact, there does exist economic competition between these two countries. Besides, Japan has been striking out to be an Asian power with independent national ambitions; so Japan will not be satisfied if it continues to be an advanced economy with weak politics and a weak international influence. To strive for long-term social development and to its excessive dependence and submission to the U.S., Japan needs Chinese political support and economic cooperation, as well as access to the Chinese market.

In order to promote stability and peace in Northeast Asia, and to develop the regional economy, the three countries should reduce misunderstandings and strengthen cooperation and exchanges. The Korean nuclear issue is the most serious threat to the current situation. At this writing, three rounds of Six-Party Talks have been held to peacefully resolve this issue, and have gone into the stage of sustained consultation. In order to ensure that the North Korean nuclear issue is peacefully resolved in the end, the three countries should continue to hold such consultations.



# Significance of our Project and Necessary Attention

By Liu Bo

## Significance of the Trilateral Conference:

- To create a forum in which senior as well young scholars and experts from China, the U.S., and Japan can discuss regional and international political, security, economic, and social issues affecting their nations among themselves with candor;
- To better understand each other's positions and major concerns and help to reduce suspicions and misunderstandings;
- To develop a trilateral perspective on emerging issues in the region, particularly among the three countries and to see the linkage among the political, economic, and security issues in the region; and,
- To explore and promote future cooperation among the three countries over regional and international issues.

## Thorny Issues:

Currently in the region, there are two outstanding hot spots in need of the joint efforts of three countries: North Korea and Taiwan. Although the Chinese government holds that the issue of Taiwan is a domestic affair of China, in fact this issue is directly linked to international players and has grave international implications. We cannot include such a sensitive topic into the written agenda, but we shall never avoid frank discussions and innovative suggestions. I here urge the U.S. and Japanese participants to fully understand the Chinese government's determination – partly because of increasing patriotism or nationalism – to counter Taiwan independence or pro-independence activities. It is mission impossible to persuade the Chinese people to let Taiwan go or let Taiwan be like this forever. What is critical? Don't let the tail wag the dog. Should we mainlanders, U.S., and Japanese sacrifice ourselves for the foolish and doomed attempt of Taiwan splittist forces? Ironically, it is true, the Chinese government, as assumed, does not care about the loss of lives. It is in the common interests of the three countries to prevent the Taiwan authorities from crossing the red line, and moving toward *de facto* independence.

Bilaterally, Chinese, and Japanese participants should try to find a solution to the current political stalemate. Summit meetings between China and Japan should occur as soon as possible. We hope Japanese politicians will not only consider their political life but the national interests of the country.

Chinese people still remember and cherish the unselfish assistance the U.S. provided to China some 60 years ago. We were friends in face of common enemies. However China is now regarded as a rival or potential enemy at a time of peace. If the U.S. can get along with rejuvenated Germany and Japan, why could not it live harmoniously with a rising China?



# Toward a Stronger Foundation for United States, Japan, and China Relations

By Nakagawa Yumiko

The presentations and discussions at the conference confirmed that the U.S.-China-Japan trilateral relationship lacks solid foundation, despite the strong urge to build one. Further economic interdependence and unprecedented prospect of China-Japan co-existence of the region require the trilateral relationship become both a driver and a keeper of regional stability. In order to lay a foundation for the trilateral relationship, each bilateral relationship must tackle issues of the past, current, and future. The conference addressed the challenges, such as lack of mutual understanding regarding national interests, historic issues, and prospects of regional framework and presented possible approaches to these challenges.

The conference analyzed the asymmetric characteristic between the two bilateral relationships in the region. While the U.S.-China relationship contains various issues, discussion on the Japan-China relationship is heavily centered on issues from the past. Throughout the conference uncertainty loomed, although wishful thinking and optimism downplayed the seriousness of problems in the future U.S.-China bilateral relationship. Since a leg of the trilateral relationship remains solid, one complicated and one stagnated relationship meant that the U.S.-China-Japan trilateral relationship failed to function as a forward driver for regional stability. Current regional stability justifies positive trends in the trilateral relationship, though the trilateral relationship has not necessarily promoted regional stability. In order to establish a solid foundation for the trilateral relationship, each bilateral relationship must tackle the following issues.

**U.S.-China.** The main challenge for the U.S.-China bilateral relationship is lack of recognition of differences between each country's expectations for "regional stability." It seems that China seeks regional stability as a means to facilitate and further its economic development, while the U.S. deems regional stability as a goal. Nevertheless, throughout the conference, regional stability was mentioned as a mutual interest of the U.S. and China that serves as foundation of the bilateral relationship. Although the U.S. and China agree on the importance of regional stability, the U.S. and China disagree on which elements most threaten regional security. For example, North Korea poses a threat as the regime itself disturbs the order in the region to the U.S. eyes. However, in Chinese views, North Korea is not a main threat as its aggression is not directed against China.

Although both use the same terms to define national interest – regional stability – it is a misperception to say they mean the same thing. With differing political system and negotiation cultures, the U.S. and China risk continuing to talk without listening to each other, mistrust and resentment from other party's failure to meet the exception will prevent both countries from building further trust. In order to overcome this cultural difference, a cultural translator is required. More Chinese and Americans fluent in both culture and language need to be utilized as the basis for creating proper communications channels. The key is to remain aware that we do not know.

**Japan-China.** Throughout the conference, the discussions on this relationship concentrated on the history issue. History continues to incubate China's mistrust in Japan so much that even current Japanese policies on domestic, foreign, and security issues are interpreted by starting with Japan's aggression over 60 years ago rather than on Japan's pacifism for the last 60 years. Although the stagnation of the bilateral relationship has not conflicted with each party's interest, in coming years, it will.

The peaceful and amiable coexistence of China and Japan is a regional necessity. As one of the participants pointed out, China and Japan have never coexisted in harmony in their history. In the last 2,000 years, the bilateral relationship was dominated either by antagonism to or isolation from one another. Facing various threats, the region needs an elaborated bilateral relationship between Japan and China.

In order to achieve unprecedented coexistence, as a participant pointed out, the "false assumption of mutual understanding based on similarity of two cultures" needs to be replaced with a realization of differences between two countries, including political systems, contemporary cultures, educational principles, national history, and future visions. With the decline of its economy and population, Japan will be less likely to expand its role in the region. Instead, Japan's role in the global arena may be elaborated through the diversification of its diplomatic tools, including utilization of its Self-Defense Forces. The Japanese people will keep urging the government to play a more independent role from the United States and will influence national strategy to some extent in the long term.

In an ideal world, the history issue would be solved in satisfactory terms for both parties and China and Japan would move beyond the history issue. However, this has not happened in the last 60 years and the issue will be more difficult than ever. To avoid this scenario, government or a track-two level working group on history issue should be formed. In the working group, various activities should be planned to prepare for reconciliation. One suggestion is the conduct of a national survey in both countries to collect people's honest opinions and detailed demands or offers for reconciliation. In the survey, each individual should be asked to specify what words are needed from whom and what sort of action should be taken that would be most appropriate to express Japan's "sincerity" for its misdeeds. With the results of the survey, national reconciliation should be agreed between the governments to end the controversy over history and to accept the disagreement on the history to build a more productive relationship.

The other feasible methods are to create alternative channels that enable reasonable discussion on what can be done in order to solve the historical issue. For example, Japan-China cooperation on the NGO level to remove all of chemical weapons left behind by the Japanese Imperial Army and to retrieve all the data on biological weapons development from the United States to create an opportunity for Japanese and Chinese with similar interest to connect and work together on core issues.

**U.S.-Japan.** Though the bilateral relationship does not pose a threat, it requires added effort to continue to do so. It ought to present a regional security vision to illustrate



its direction. The alliance is no longer formed against a single threat, but for mutual benefit. The change in this fundamental characteristic of bilateral relationships allows room for Japan to play a more independent role as demanded by the post-Cold War generation. In such circumstances, restatement of its national strategy is crucial to avoid the rise of suspicion from other members of the region, such as China. Japan needs to address its objective and willingness to gain more independence in its diplomatic policy to endorse the positive current in this change.

**The Trilateral Relationship.** The U.S.-China-Japan trilateral relationship is not based on a common cause against a common threat. Instead, it is based on each country's perception of its national interest. Any ambiguity in the foundation of this relationship creates mistrust and uncertainty. In order to establish a solid foundation for the trilateral relationship, the development of an East Asian identity and trilateral relationship management framework will be powerful tools.

People with extreme familiarity with multiple cultures communicate easily with each other and should be valued as a communication channel to strengthen the base of the relationship.

At the same time, the management of the trilateral relationship requires a steady framework, whether economic or another. The framework symbolizes – as one participant stated – confidence in the ability to solve issues peacefully, without pride and the absence of conflict.



# Japan's Future Security Role in the Asia-Pacific Region

By Nagaoka Sachi

## I. General Review of the Conference

Most distinguished scholars see that the United States, Japan, and China have enjoyed unprecedented good relations in recent years. However, it also has become clear that each country tends to see the other based on a zero-sum assessment as Prof. Fu Mengzi and Dr. Denny Roy have pointed out in detail. At this moment, it seems that the three countries share a common goal, a non-nuclear North Korea, which makes them closely united. What should each country do in order to maintain a good relationship even after losing a common imminent threat in this region? The trilateral conference provided an opportunity for experts to share their views and solutions towards strengthening trust in each other beyond a zero-sum assessment.

One of the very interesting discussions was “country views toward the other bilateral.” History shows that powerful nations tend to recognize others as a threat, a tendency that has generated misunderstandings and miscalculations based on a nation’s “rational thinking.” To prevent conflicts in the future, each country should be modest enough to listen to others and consider the impact of cultural differences. Each country should seek to understand the other’s intentions without its own biased view.

We knew that U.S.-China, U.S.-Japan relations are relatively good, but the China-Japan relationship seems to hold the most serious historical problems. Chinese people believe the Japanese have forgotten what they have done to China in the past. It seems that there is a long way to narrow the gap between the two countries. However, the Young Leaders meeting is a great step toward promoting better understanding. It provides a great opportunity for young people to exchange their opinions and understand what others think. I believe that the efforts to create an environment in which young people freely discuss their opinions also serves to build confidence among the three countries.

## II. Learned from my Research

In my research on Japan’s foreign policy toward peace operations, the conference provides plenty of useful information.

First, as an American participant pointed out, recent participation in United Nations Peacekeeping Operations (PKO) by the three countries promotes unprecedented convergence globally. I support this suggestion of launching cooperative training programs among the three and, supporting ASEAN or ARF peacekeeping activities. Actually, the establishment of an ASEAN peacekeeping force was put forward already by Indonesia as a part of the ASEAN Security Community (ASC) concept. This shows an acceleration in regional security. The trilateral cooperative activities through peacekeeping would build more confidence toward a stable regional security

environment. Peacekeeping activities based on the concept of neutrality and humanity would gain easily public support within the nations.

There are a number of questions to ask about Japan's security role at present and what we can expect for Japan's future role. However, in the last session of the conference, "future visions of comparative interests," the discussion mostly focused on the U.S.-China relationship. One reason is that Japan's future vision is not clear for most U.S. and Chinese experts. However, it seems that "Japan passing" still continues. Ironically, this is clear evidence that Japan succeeded in having an image of "a peaceful nation," which others can pass by and recognize it as a non-threat in the region

### **Changing the Concept of Security**

Japan defines security in terms of military security, as well as concept, but also as economic stability, environmental stability, and access to supplies of natural resources. The Clinton administration began economic-centered security policy just after the Cold War. On the other hand, Japan already had realized the importance of economic and environmental security – its so-called "comprehensive security" from the beginning of the 1980's. Since the late of 1990s, the Japanese government has shifted emphasis on "human security" and tried to have an image of "a peaceful nation" actively protecting people suffering from poverty and conflicts in the world. Since the Cold War, the concept of security has changed. We cannot discuss security issues just in the military contact. The war against terrorism clearly shows the limitation of traditional military-centered security resolutions. We need to change our approach to how we protect our countries and how we make the world safe. We should understand the changing concept of security before discussing what Japan's security role is.

### **Building Long-term Stable States**

Japan has made clear its position by leading post-conflict reconstruction processes such places as Cambodia, East Timor, Afghanistan, and Sri-Lanka. At the same time, Japan successfully supports the rapid economic development of Asian countries. ODA (Official Development Assistance) is a part of the important tools Japan has to create a stable security environment in the Asia-Pacific region. However, the media's tendency to cover major wars but not the reconstruction that takes place afterwards, means that people are poorly informed of the contributions that Japan makes to "newsy" topics. As the World Bank pointed out a strong connection between terrorism and poverty, Japan's long-term efforts should be evaluated as a part of counter-terrorism activities. We have to create an environment among media, public opinion, and decision-makers in which long-term interests are carefully considered. In addition, security experts deal with terrorism, while development experts deal with poverty. We need a linkage between them in order to resolve actual problems in the field.

## **Japan's Future Role: an Expert on Building Peaceful Nations**

I think the Japanese government should demonstrate its strong image as “an expert at building peaceful nations.” Japan could make use of its experiences after World War II in order to reconstruct other post-conflict countries especially in the Asia-Pacific region.

At the same time, Japan is capable of administering coordinated emergency assistance for refugees and the victims of natural disasters. In fact, the Japanese government developed a system implementing emergency relief called the “Japan Platform” consisting of the government, businesses, and NGOs. These activities may reduce the concern among Asian peoples about a powerfully armed Japan.

However, as pointed out in the conference, it is true that the Japanese government should make clear its position about which processes and which issues it wants to take initiative on. In terms of peace operations, the policy paper by the Ministry of Foreign Affairs says it would take action in all processes of settling conflicts, preventive diplomacy, peacemaking, peacekeeping, and peace-building, so called “comprehensive approach.” It makes others confused about Japan's future vision. Setting priorities is the first job for explaining Japan's role in the region.

Japan only started to seek its security role just after the Cold War. It seems that Japan has been released from its image as an aggressor nation in the Asian-Pacific region. It is just about to take initiative in security issues. Japan is now on the road to prove its national power by taking a creative role in the building of a new stable international order beyond the zero-sum theory.



## Security Community: A New Pursuit for Regional Security Cooperation

By Sun Ru

In January 2002, Japanese Prime Minister Koizumi Junichiro delivered a speech on “East Asia Community” during his visit to Singapore. The initiative was revived later, when Japan hosted a summit meeting with ASEAN members in December 2003. The concept of community is not new. In the late 1970s and early 1980s, the Japanese government initiated “Pacific Rim Economic Cooperation,” the contents of which remain instructive. In the meantime, the U.S. has done research on “Pacific Community” and endeavored to promote it. In July 1993, President Bill Clinton publicized a “New Pacific Community,” in an effort to accelerate the pace of regional integration.

Besides general community proposals, the U.S. and Japan advocate a more specific “security community.” In 1991, James Baker, then secretary of state, listed the regional security mechanism as one of three pillars of Pacific community in his *Foreign Affairs* article. A similar idea reappeared in “New Pacific Community.” The most articulate official U.S. proponent of security community has been Adm. Dennis Blair, the former commander in chief of U.S. Pacific Command. In a speech delivered at the Carnegie Endowment for International Peace in March 2000, Blair called for the development of a pluralistic security community. He argued that, “the concept of security communities, is particularly apt for the Asia-Pacific region, because the member nations need not be treaty alliance signatories, members of a treaty alliance organization. Security communities can be based on non-military organizations, like the ASEAN Regional Forum (ARF), or they can be groups based simply on geography or common concerns, rather than on a multilateral security arrangement.” He pointed out that “the path to building security communities is one of improving communications, developing habits of cooperation, particularly on security issues and a shared sense of responsibility for security issues.” According to Blair, the process of building security community will transform U.S.-led bilateral arrangements into webs of security relations.

In 2002, the policy council of the Japan Forum on International Relations presented 15 concrete recommendations to the government on security cooperation in East Asia. It suggested Japan take the lead in creating a pluralistic security community in East Asia as a long-term objective. Among the recommendations, key components are a “multi-layered network” and a “coalition of willing,” in which Japan will explore other security arrangements while strengthening its alliance with the U.S. Meanwhile, the recommendations also called for expanding the roles and functions of the ARF and working to improve its mechanism for preventive diplomacy and conflict resolution; take the initiative toward the strategic convergence of existing and proposed multilateral frameworks for resolving the problems of North Korea, etc.

China was included in the U.S. and Japanese initiatives. Blair said, “by virtue of its geography, China is a natural participant in security communities at all of these corners,” therefore, “efforts to create security communities in the Asia-Pacific should actively involve China.” Indeed, China’s interest in multilateral security cooperation and institutions has grown in recent times. Despite the fact that no official response to the latest discussion on security community has been given (Chinese Vice Foreign Minister Wang Yi used the term “East Asian Community” instead of “security community”), Chinese scholars and policy analysts began to examine the issue. Dr. Wu Xinbo, an expert in American Studies at Fudan University, argued that, “it is possible to build a pluralistic security community in Asia-Pacific region because a peaceful and stable security environment is in the interest of regional countries that have already benefited from expanding economic links. The new security mechanism will be developed into an effective means to promote regional security cooperation.” In his definition, “pluralistic” means a diversity of security concerns and agenda, and the diversity of security arrangements such as a concert of great powers, a coalition of the willing, existing security coalitions, and regional or sub-regional security arrangements. Liu Jiangyong and Yan Xuetong, two experts in foreign policy studies, presented a much more concrete recommendation on an “East Asian Security Community” (EASC). Their proposal is divided into five parts: goal and strategic significance, “Sustainable Security Concept,” principles, framework, and security management. There are common points among these three visions. For instance, both Japan and China called for enhancing ARF institution building, pushing for a institutionalized mechanism for resolving the North Korea issue, establishing a Japan-U.S.-China-Russia dialogue, and establishing a regime for combating transnational organized crime, etc.

Can a security community be the common pursuit of the three countries? Since all three countries pursue a security community, and all three are members of it, why should the three countries sit down and discuss it? Personally, I think it is beneficial for the three and the region as a whole. First of all, it can help dispel suspicion and anxiety from all sides. The U.S. feels uneasy about China’s New Security Concept. China doubts the motives behind U.S.’s unilateral initiatives and Japan’s military trends. Japan is nervous about China’s rise and its spillover effects. To diminish the mistrust, a security community will provide a new opportunity. Second, it is helpful to develop an enduring peaceful relationship. Without common values, beliefs, norms, and a collective identity, the trilateral relationship is vulnerable to individual calculations of national interest.

There are tremendous obstacles and uncertain factors for three countries when exploring a security community. In China, the security community is still somewhat new. First, the concept looks abstract and ambiguous. People keep asking for the meaning of “dependable expectations of peaceful change” despite scholars such as Amitav Acharya who have tried to clarify the phrase. Second, some scholars doubt Karl Deutsch’s theory is suitable for the Asian context. Given the complex situation in the Asia-Pacific, it is too early to talk about a security community. Third, some doubt that dynamic security dialogues and cooperation could be transformed into advanced institution building. Fourth, each nation instinctively suspects the motives of other countries. In all, a security



community is just a term in the vast and dazzling security lexicon and need not deserve special attention.

Each country is concerned with obvious challenges. The U.S. may perceive the discussion of a security community as a new attempt to exclude from regional security building. From the Japanese side, China's growing influence coupled with its dynamic multilateral diplomacy may cause worries. China has been attentive to the Taiwan issue in any regional cooperation debate. Japan suggested using the multilateral frameworks in which Taiwan and China participate together, thus "frankly discussing the Taiwan Strait issue as a matter of international interest." Similarly, the U.S. tried to induce China into a multilateral mechanism in which Taiwan could be discussed.

So far, at the official level, each country's position on a security community remains elusive. It is unclear whether Blair's view is shared by the Bush administration. Also, it was unclear whether Japan's security community call is propaganda or a genuine goal. However, in any event, the exploration of the security community concept should not be a new arena for power politics among three countries; rather, it should trigger a multilateral process that is designed to maintain regional peace and stability. Although China, Japan, and the U.S. are three key players in the Asia-Pacific in the post-Cold War world, a trilateral dialogue is still distant. In this regard, the annual trilateral conference is appreciated in promoting mutual trust and understanding. Beyond that, perhaps we should have a vision for the future and make steps toward it.



# Toward a Stronger Foundation for United States, Japan, and China Relations

By Yasutomo Tanaka

At the trilateral security dialogue among Japan, the U.S., and China in Beijing in August, I found many insights into the challenges shared among our three countries and in this region. Also, the Research Institute for Peace and Security is happy to join this dialogue.

In general, it is very difficult to know the real intent of other countries. Even though the government of each country makes public statements, sometimes, the content remain vague. Thus, this security dialogue is important to Japan in two ways.

1) *An opportunity to explore the real intention of China and the U.S.* Both governments are eager to make other countries understand their diplomatic viewpoint. President Bush criticizes the “axis of evil” on the proliferation of the weapons of mass destruction, and declares the “Bush doctrine.” But judging from his statement, we cannot tell whether the U.S. wants to conduct a preemptive attack on North Korea. The new Chinese government under President Hu Jintao uses the phrase “peaceful rise” to characterize its position as a status-quo power. So far, we cannot tell what kind of international status and role China aspires to. That is why this dialogue is quite important.

2) *An opportunity to understand domestic implications.* Sometimes, a government makes a statement toward other countries in order to control public opinion. Usually, the government mobilizes public opinion to put pressure on countries with which it negotiates. Currently, almost all governments are pressured by domestic politics. Public opinion forces it to raise controversial issues in bilateral or multilateral negotiations.

Even in China, the government cannot neglect the impact and direction of public pressure. It has only barely tamed Chinese nationalism. It is said that the government controls web pages criticizing other countries, particularly the U.S. and Japan. According to Japanese newspapers, the Chinese government closed at the end of August a web magazine that criticized the Japanese government.

It is quite difficult for outside observers to judge these domestic pressures. This conference provided an opportunity to learn about domestic politics from specialists in each country.

That’s the case with all track-two conferences. However, in the case of the conference hosted by Pacific Forum, CICIR, and RIPS, I think the variety of participants was an advantage. Each country team consisted of not only a specialist on two other countries, but also former practitioners, international theorists, and economists. We were able to discuss the trilateral relationship from divergent perspectives.

“Other Bilateral” Country Views was very interesting. Many Japanese officials fear a second “Nixon Shock.” Some Japanese regard the Chinese initiative on trilateral talks among the U.S., North Korea, and China in April 2003 with suspicion. They were afraid of dismissing the abduction case, which was a priority in Japanese domestic politics. We will not be influenced by any movement between two countries if Japan understands the real intention and the domestic implications. This was a good chance to know if the two countries are sensitive to this Japanese fear.

After taking part in the dialogue, two points struck me. First was the stickiness of historical issues between two countries. Before leaving Tokyo for Beijing, newspapers and television news programs reported that the Japanese soccer team was booed by Chinese spectators during the Asian Cup tournament. It indicates that Japan faces strong anti-Japanese feeling in China. Moreover, I was shocked by Chinese critics of Prime Minister Koizumi’s visit to Yasukuni Shrine and Japanese insensitivity to historic issues in this dialogue. However, some Chinese criticism and suggestions are not based on the facts. For example, one participant thought every Japanese prime minister has visited Yasukuni Shrine every year. Not all prime ministers visit there. Our Chinese friends who took part in the dialogue were sincere enough to correct their misunderstandings. In my opinion, such frank dialogues about historical issues may substantially improve mutual understanding.

The other is the paradox about enhancing security roles and increasing the others’ suspicion. The United States is in Asia as a superpower. Japan is eager to pursue the security role as a “normal” state. China also wants to play an active security role in this region. The enhanced security role might raise suspicions that the country wants to be the dominant power in Asia-Pacific. Other Young Leaders are optimistic that three countries can work together, for example, in the area of the humanitarian actions. I am skeptical. We could work together on minesweeping. But it is almost impossible to cooperate on other humanitarian actions. Moreover there is the tension between humanitarian intervention and national sovereignty. I don’t think China will agree with the U.S. in those actions.

Additionally, I would like to recommend several foreign policies to each country:

1) The United States

- Continue close consultations with Japan on East Asian security.
- Constrain arms sales to Taiwan in accordance with the level of the arms build-up in the coastal area of China vis-à-vis Taiwan.
- Declare that it will not support Taiwan independence unless China attacks Taiwan.

2) Japan

- Build a National War Memorial for Japanese, Chinese, and Korean war victims.
- Enhance grassroots exchange with China.
- Have a tourism campaign in China.

- To declare that it will not support Taiwan independence unless China attacks Taiwan.

### 3) China

- Frequent visit of high-level officials including President Hu Jintao to present Chinese strategic views to the world.
- Start direct postal, trade, and flights to Taiwan.
- To show the roadmap to unification with Taiwan to win Taiwanese hearts and minds.

### 4) Cooperative actions

- Enhance mechanisms for confidence building measures.

The Six-Party Talks should evolve into this mechanism when it can resolve the North Korea nuclear issue.



# **Strengthening the Weakest Link of Sino-Japanese-American Triangular Relations**

By Wang Qinghong

## **Introduction**

Among the three bilateral relations in the U.S.-Japan-China triangular relations after the Sept. 11 attacks, China-Japan relations is the weakest link, particularly compared to the rapidly improved China-U.S. relations and Japan-U.S. relations. Stronger China-Japan relations will bring more potential and strategic meaning to regional cooperation on economics and security to U.S.-Japan-China trilateral relations. The main obstacles of China-Japan relations reside in two aspects: historical factors and realistic factors. Establishing a trilateral joint committee on historical issues, strengthening regional economic cooperation, and establishing a regional security dialogue might be the most viable approach to removing obstacles to improved China-Japan relations.

## **Potentials and Strategic Meanings**

First, stronger China-Japan relations will definitely facilitate already soaring bilateral business relations as well as regional economic integration in East Asia. It is well known that China and Japan already quickly developed comprehensive bilateral economic relations since China started the “open-door” policy in 1979. China has been Japan’s second largest trading partner since 1993. Meanwhile, Japan has been China’s largest trading partner since 1994. Because of the complementary characteristics of both economies in labor, market, and finance, a great amount of Japanese direct investment has already flowed into China, and many Japanese companies have already relocated many production lines to China. The total volume of China-Japan trade reached \$120 billion in 2003. Stronger China-Japan relations (with the assistance of the U.S.) will provide more room for the development of bilateral economic cooperation. Additionally, if China and Japan, both at which are active participants in the ASEAN Plus Three process and APEC, could strengthen their bilateral relations, they could make a great contribution to regional free trade negotiations, regional development projects, and environmental protection cooperation. Second, both as strong partners in the anti-terrorism campaign of the U.S., China, and Japan could have more cooperation in exchanging intelligence about terrorism and providing joint assistance to operations of the U.S., if they could have more confidence in each other. Third, stronger China-Japan relations would help establish more consensus on the North Korea nuclear issue during the Six-Party Talks since North Korea is always considered China’s one card to play against Japan.

## Main Obstacles

The biggest obstacles in China-Japan relations are the Japanese attitude toward World War II and the historical hostility of Chinese people toward Japan. The Japanese side should be more responsible for this issue. For example, clearly knowing that the Yasukuni Shrine enshrines 14 Class-A war criminals, including Tojo Hideki, Prime Minister Koizumi has insisted on paying several visits. Another instance is that of the publication of Japanese middle school history textbooks that intentionally cover up Japanese war crimes during WWII. The Japanese government only emphasizes Japan's suffering with nuclear bombs but does not tell the younger generations how Japanese militarism brought suffering to other nations during WWII. So the younger Japanese believe that the Chinese fixation on a Japanese apology for WWII only serves China's foreign policy and arouses nationalism.

Actually, it is the vague, sometimes right-wing, attitude of the Japanese government toward WWII that arouses the suspicion and hostility of the people, including Chinese people who suffered from Japanese militarism. Sometimes, their hostility was directly related to the ongoing suffering from Japanese militarism, such as the protest against a toxic leak from abandoned Japanese chemical weapons in Qiqihar in China's northeast that killed one man and injured 42 others on Aug. 4, 2003. Sometimes, their hostility was indirectly related to Japanese militarism, such as the protest against an orgy of 400 Japanese male tourists and Chinese prostitutes in Zhuhai on Sept. 18, 2003, the anniversary of Japan's invasion of Manchuria in 1931. Sometimes, their hostility was a little exaggerated, such as the protest against an obscene performance by several Japanese teachers and students during a party at the Northwest Industry University in Xi'an on Oct. 29, 2003. Sometimes, their hostility really damaged economic cooperation between China and Japan. For example, after the online protest by 80,000 Chinese people against purchasing Japanese *shin-kansen* technology for the project, China gave the Beijing-Shanghai high-speed railway project to France.

Another big obstacle in China-Japan relations is realistic conflicts over material interests. The most recent conflicts on oil in East Sea and East Siberia are the best example for this obstacle. After 1997, Japan's oil consumption declined due to the economic slump and to many industries moving production to other countries such as China. But the difficulties Japan faced during the 1970s oil crises mean that Japan has since tried to maintain a relatively large oil stock. Meanwhile, accompanying its economic take-off, China's oil consumption continued increasing. China became a net oil importer in 1993 and probably already consumed more oil than Japan in 2003. So both countries are competing for oil, especially in neighboring regions such as the East Sea and East Siberia. Seemingly, China always takes the initiative, and then Japan joins the competition. One example is that Japan in 2003 interfered in the so-called "Angarsk-Daqing line" oil trade deal between China and Russia after their 10-year negotiation by offering Russia \$7.5 billion to build the so-called "Angarsk-Nakhodka line" for exporting oil to Japan instead of to China. The other example is that after China's two state oil companies have been joined by the British company Shell and Unocal in the development of the Chunxiao Gas Field, which lies about 350 km east of Ningbo in the East China



Sea, Japan in July 2004 declared the project might violate Japanese sovereignty in the East China Sea and sent its own survey ships to the disputed region. Actually, the recent fierce dispute over the Diaoyu (Senkaku) Islands, which were believed to hold oil fields in the East China Sea, represent both sovereignty and energy issues.

There is also a third category of obstacles that is a combination of historical burdens and realistic conflicts. Taiwan is one of these obstacles. Although Taiwan was returned to China at the end of WWII, there are still many Japanese influences in Taiwan today due to its history of being Japanese colony for 50 years (1895-1945). The close connections between the godfather of Taiwan independence groups, Lee Teng-hui, and Japanese politicians, such as former Prime Minister Mori Yoshiro who visited Taiwan on Dec. 25, 2003 and met both Lee and Chen Shui-bian, make Chinese leaders suspect Japan is supporting the independence of Taiwan for geopolitical reasons. Another example is Japan's revision of the Peace Constitution and expanding its Self-Defense Forces. The global anti-terrorism campaign provides Japan with a perfect opportunity to fulfill its strong ambition of playing more important roles in regional and global issues. Given the strong economic power Japan has, it is reasonable that it seeks more political influence. Although Japan's military expansion is within its democratic framework, China is still worrying about the possibility of reviving Japanese militarism. In Chinese eyes, the revision of the Constitution indicates that Japan has already started reducing democratic hurdles against militarization. Furthermore, a democratic framework sometimes could not control Japanese militarism. For example, Hitler was elected to power by a German democratic system. Additionally, China is reluctant to see one of its strong economic competitors becoming another potential military rival in Asia.

### **Viable Approaches**

Some viable approaches to remove or at least reduce the above obstacles could be considered. First, in order to get rid of the historical burdens of WWII for China-Japan-U.S. trilateral relations, a joint historical issue commission, which comprises experts and scholars from three countries, could be established. Inspired by Adm. Michael McDevitt's suggestion, I think the commission should be authorized by three governments as their representatives for mutually resolving trilateral historical issues. The commission could publish the consensus of three countries on historical issues of mutual concern and suggested resolutions, such as the truth about the rape of Nanking, the reason for using nuclear bombs, and how to resolve the conflicts created by the deposit of the ashes of war criminals at the Yasukuni Shrine, etc. The experience of confidence "rebuilding" between Germany and other European countries should also be studied by the commission.

Second, to resolve the realistic material conflicts, it is necessary to establish the trilateral or multilateral East Asia security dialogue based on the Six-Party Talks model and establish an East Asia Economic Cooperation Association plus one – the U.S. – based on the ASEAN Plus Three model. The former could help all military powers in East Asia reduce mutual friction and discuss the peaceful resolution of disputes and potential conflicts. The latter could help all economic powers integrate with each other

and distribute the labor, market, and resources from the overall perspective of the East Asia region.

Third, in order to eliminate the most complicated obstacles in China-Japan-U.S. trilateral relations, track-two meetings on those difficult issues should be held regularly. Experts and think tanks from China, Japan, and the U.S. should continue the timely exchange of ideas and governmental positions on issues of mutual concern so as to figure out possible resolutions. Those meetings are the best opportunities to strengthen mutual understanding and reduce suspicions toward each other. For example, Japanese participants could explain the difficulty of reviving militarism in an aging society under the tight surveillance of the U.S. to their Chinese colleagues.

## **Conclusion**

China, which is a traditional military power and is a rising economic power, and Japan, which is a traditional economic power and a rising military power, both are undergoing evolution from a one-sided (or one-handed) giant power into a two-handed mature power. During their evolution, they are destined to be competitors as well as collaborators with each other, not only economically but also militarily. As neighbors in East Asia with several thousand-years of history, China and Japan have passed through phases of competition and cooperation. But for the first time in their histories, there is a two-handed superpower above them. As the only superpower in the world and both the traditional economic and military power, the U.S. definitely will play a crucial role in the development and peace of East Asia: the promoter for China-Japan cooperation as well as the mediator for China-Japan conflicts. The U.S. can help to strengthen the weakest link of China-Japan-U.S. relations with the efforts of the other two parties.

# The Role the U.S. can Play to Alleviate Energy Competition between China and Japan

By Zeng Qi

## Competition for Petroleum between China and Japan

Since the normalization of relations between China and Japan in 1972, the China-Japan relationship has fluctuated between worse and better. One obvious characteristic of the relationship is the imbalance between the accelerating economic integration and stagnant political cooperation.

The economic dimension of the China-Japanese relationship has been very optimistic since the mid-1980s. China-Japan trade has grown from \$1 billion in 1972 to \$100 billion in 2002 and \$120 billion in 2003. The two countries have become more important trading partners relative to other key trading partners. Japan has been China's largest trading partner since 1994. China has been Japan's second largest trading partner since 1993, next to the United States. Meanwhile, China replaced the United States as Japan's biggest source of imports, Japanese increased exports to the Chinese market is helping Japan to swiftly step out of its recession. Similarly, direct investment by Japanese firms is increasing as they relocate production facilities to China to capitalize on lower labor costs and high-quality engineering talent.

However, official relations between the two countries are marked by much political and economic competition, some of which is of potential strategic rivalry. One of the obvious strains is China-Japanese energy politics. An increasing competition has been witnessed between China and Japan in developing petroleum abroad. In particular, the contest between the two routes of the oil pipeline from Russia for which China and Japan are striving respectively. After discussion between China and Russia for nearly ten years on the Angarsk-Daqing pipeline project, under which the pipeline was to be built from Angarsk, Russia to Daqing, China to supply China 700 million tons of oil (worth \$150 billion), Chinese President Hu Jintao and his counterpart in Russia, Vladimir Putin, signed a communiqué on China's proposal on May 28, 2003. This agreement signaled the imminent beginning of the construction of the Angarsk-Daqing Line. Shortly after the agreement was signed, Japan made several rapid visits to Russia. In early July 2003, Japan and Russia announced that the two countries had made important and substantial progress in joint planning on energy issues. Japan offered to finance the \$5 billion pipeline, invest \$7.5 billion in development of Siberian oil fields and throw in an additional \$2 billion for Russian social and economic projects to build an oil pipeline from Angarsk to Nakhodka, with the intention of purchasing 50 million tons of crude oil from Russia each year. Due to this Japanese intervention, the originally agreed China-Russian joint pipeline project has been in suspension.

More recently in June 2004, Japan claimed that Chunxiao gas field, which is located about 350 km east of Ningbo in Zhejiang province of China, jointly developed by China's state-owned oil company and other corporations, crosses the borderline into Japanese territory. Japanese reconnaissance aircraft are paying close attention to the construction at Chunxiao, although the planes stop short of crossing the Japanese interpretation of the border. Japan has insisted on demarcating the waters using a "median line" equidistant from China and Japan. However, China disagrees with the plan and believes the Okinawa Trough further to the east should stand as the natural contour between the exclusive economic zones (EEZ) of the two countries. So far, at least two gas fields developed by China in the vicinity of the "median line" are known to be under the daily reconnaissance of Japanese aircraft. One is Chunxiao and the other is the Pinghu Gas Field, which already supplies natural gas to the economic hub of Shanghai. In late July and early August 2004, Japan sent the resources survey boat known as "Ramforce Victory" to areas near the "median line" in the East China Sea, thought to be an attempt to show its determination not to be excluded from tapping the rich gas resources in the area.

Japan also has a dispute with China on the Senkaku Islands on the East China Sea, where potential oil fields were found in 1968.

### **Reasons for the Competition**

The biggest reason why China and Japan are competing over energy is because these two big consumers are heavily dependent on other countries and regions for oil. With the rapid growth of its economy, China's oil consumption has been increasing constantly. In 1996, China became the third largest oil consumer, trailing only the United States and Japan. Also in that year, China moved from an oil-exporting country to an oil-importing country. In 2003, China surpassed Japan for the first time to become the world's second largest consumer of petroleum products. "Experts estimate that by 2005, China's oil import will reach 100 million tons. The U.S. Department of Energy's *International Energy Prospect* predicts that within the next 20 years, China's oil imports will reach 7.4 million barrels per day, equivalent to the daily import amount of the entire continent of Europe. The primary reason for China's increasing dependency on foreign oil import has been the increasing shortage of available crude oil and oil reserves within the territory. Major oil fields including Daqing, Shengli, and Liaohe have all become exhausted at various levels, with little potential for growth. According to the 2002 China Petroleum and Gas Estimate Report, China's oil resource should be larger than 202.1 billion tons. However, the land-based proven available oil constitutes only 28 percent, far less than the world's average proven available amount."<sup>6</sup>

Japan contains almost no reserves of its own, but it was the world's second largest oil consumer in 2002, and now it is in the fourth place. Most (75 percent-80 percent) of the oil it consumed came from OPEC. Japan has worked, with relatively little success, to diversify its oil import sources away from the Middle East. Currently, China's ever-

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<sup>6</sup> Li dingxin, "China's Energy Challenged by the Pipeline Routes Dispute," [http://www.uscc.gov/hearings/2003hearings/written\\_testimonies/031030bi](http://www.uscc.gov/hearings/2003hearings/written_testimonies/031030bi)

increasing demand for oil contributes to Japanese concern for its own supplies of crude. For resource-poor Japan, the increasingly tight international energy markets coupled with soaring oil prices is a nightmare.

Historical reasons and geopolitical considerations also contribute to the Japanese perspective that a strong and prosperous China is a threat. Many Japanese politicians view China's development as a danger and the biggest obstacle to Japan's regional dominance in East Asia. "Join the U.S., Curb China" has become one of the mainstays of Japan's basic diplomatic strategies in the 21st century. In the eyes of Japanese, oil is a lethal weapon that can be used to contain China, especially when taking into account the fact that China is one of the largest consumers and is heavily dependent on other countries and regions for crude. Thus, setting barriers on the exploitation and import of resources like oil plays a role in impeding China's economic development and hence curbing China.

### **The Role U.S. Plays to Alleviate the Competition**

With the year-on-year growth of China's oil imports, the international competition for oil resources becomes more complicated and sharper. Particularly, a severe situation in which competition prevails over cooperation is occurring between China and Japan as two big energy consumers. As we all know, oil is the life for both the Chinese and Japanese economies. If the competition for oil energy between China and Japan keeps going, the rivalry for petroleum between China and Japan on a global scale is unavoidable. Once entangled with historical issues, this circumstance risks turning into a clash and conflict between the two Northeast Asia powers. As a consequence, the stability of Northeast Asia stands at risk.

The U.S., as the long-term ally of Japan since the end of the World War II, has great influence on the politics and economy of Japan. It will help integrate Northeast Asia into a peaceful regional and global order if the U.S. can act both as a balancing force and as a restraint on China-Japan energy competition, while encouraging Japanese and Chinese economic integration and making efforts toward the reconciliation of the two countries.

In the recent discussion over the project of building a canal in the Isthmus of Kra, through which oil tankers are able to directly reach the Gulf of Thailand in the Pacific Ocean from the Andaman Sea to the west of Thailand, China has been active. China has lobbied Japanese and Korean oil corporations to jointly invest in this project. This is apparently a very good initiative if the U.S. can facilitate the dialogue among the parties and help to structure the cooperation under the framework of "Northeast Asia Energy Forum," under which the dialogue can progress with a focus on the exchange of data, increased transparency information and operations, cooperation between governments and industry, and a better understanding of the market. In this way, a win-win situation can be created. China and Japan need to explore ways to cooperate, rather than compete for oil resources in Northeast Asia, which as a whole will need to import about 70 percent of its oil from the Middle East in next 20 years.

The issue of international energy competition versus cooperation requires consideration not of who is winning the battle, but rather on how the market can accommodate the divergent needs of the individual players and encourage cooperation. To address the long-term energy cooperation more effectively, coordination mechanisms that include all the right players should be established. The U.S. should work to build a bridge between China and Japan. This means establishing or strengthening the economic linkages that connect nationalistic economies to free markets, increasing cooperation, and creating a more stable, sustainable international environment.

**Chapter III:  
Sino-U.S. Relations and Regional Security**

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# Sino-U.S. Relations and Regional Security

By Alexander Brenner

While America looks set to remain the world's economic, political, military and cultural superpower for at least the next few decades, it will increasingly be looking over its shoulder. We may or may not be embarking on a "Chinese Century," but the global balance of power is shifting toward a China-centered Asia. If economic growth in China and America remain at or near their current rates, China will overtake the United States as the world's largest economy in terms of purchasing power parity within two decades. Even allowing for a significant slow-down in China's growth rates, the size of its economy at market rates may well surpass America's by mid-century.

There are of course plenty of reasons China could stumble, or even collapse. Indeed, post-Sept. 11 and post-SARS, we are reminded how an increasingly integrated world presents an increasingly scary array of "what if's." The need to think about a range of possibilities, however, doesn't obviate the need to focus on scenarios that have greater probability of coming about. I would bet on continued expansion in China's economic, political and military power over the coming decades. So, while we Americans should be spending time planning how to stop al-Qaeda from going nuclear as well as dealing with the causes of Islamist terror, we also need to be thinking just as carefully about how to deal with China (that already has nuclear weapons) as its GDP and international influence catches up with our own.

The character of tomorrow's China is being shaped today, foremost inside the minds of the country's young people. Having spent three years teaching and studying at some of China's top universities, I've had plenty of chances for conversation with young Chinese about their views of their country and its future place in the world. China's youth is optimistic about the country's prospects; every one I've talked to believes that domestic challenges will be overcome. The feeling remains, however, that a certain hegemonic power is none too happy about China's rise.

I've seen how every American action is viewed through the lens of "they're trying to keep us down." I was in Guangzhou when U.S. planes bombed China's Belgrade embassy in 1999. *Of course* the targeting wasn't accidental: the Americans were deliberately trying to humiliate China and show their superiority. The same goes for the EP-3 incident in 2001. And indeed, you could forgive the Chinese for thinking we're trying to keep them down. The Bush administration's *National Security Strategy* bluntly states that the United States will "seek to dissuade any potential adversary from pursuing a military build-up in the hope of surpassing, or equaling, the power of the United States and our allies." I'm curious, if the Chinese economy does grow as large as ours, how exactly are we going to "dissuade" Beijing from trying to equal our power?

Let's hope it won't be by bombing another embassy. Five years after the Belgrade bombing, people here remember it very clearly: as someone here recently told me, "wait thirty years, and our response won't be so polite" (*women bu hui name keqi*). What this man was saying, of course, is "if we weren't so weak now, we would have hit back." His

words point up China's serious inferiority complex when it comes to the U.S. – made all the worse by the sense we're pamper-wearing upstarts with a shallow pop culture that cannot compare with the depth of the superior Chinese civilization. In fact, the key challenge in bilateral relations in coming years may be dealing with a China simultaneously working its way through inferiority and superiority complexes, a topic I'm addressing in this month's report to my Institute. I'm not so worried about Americans being too deferential and feeding some kind of hyper-self confident Chinese nationalism. It may be harder for us to remember, however, that it's not a good idea to kick sand in the face of the skinnier kid – he just might come back 30 years later, all buffed up and not feeling polite.

# To Be Or Not To Be: Where Will the Rocking Boat of China-U.S. Relations Go in the New Century?

By Guo Xuetang

There is an unavoidable question when we talk about current China-U.S. relations: will a war happen between the two nuclear powers over Taiwan? This is a question that sounds like a classical phrase “to be or not to be.” This is the question how to survive by docking the rocking boat of bilateral relations in the new century. “The United States-China Bilateral Workshop” has important implications for both countries and their ability to find stable and peaceful direction for the boat.

First, it is obvious that both countries have been continuing cooperation on halting North Korea nuclear crisis, counter-terrorism, reconstruction of post-Saddam Iraq, non-proliferation of weapons of massive destruction (WMD), and countering cross-border crimes. The disputes over appreciation of the *renminbi*, the trade surplus, and anti-dumping cases also show the strengthening economic interdependence between the two countries.

However, strategic mutual suspicions of each other have been increasing inch-by-inch with China’s rise. And U.S. policy toward China definitely has “no return to the Nixon era” as one American scholar puts. Six issues demonstrate the bilateral hostilities and suspicions:

**The readjustment of U.S. military strategy.** Regional security challenges brought by a rising China are the driving force for the U.S. shift of its military concentration west to the Pacific. Almost all the possible tensions in East Asia have relations with Beijing, from the Korean Peninsula, Diaoyu Islands to Taiwan, and to the South China islets. It is not surprising for China to suspect U.S. military intentions.

At a time of growing tension across the Taiwan Strait and an unresolved nuclear crisis on the Korean Peninsula, the plan of deploying a second aircraft carrier battle group, more submarines and strategic bombers to Asia-Pacific region and other military activities are highly sensitive and meaningful. The reduction of U.S. troops in East Asia doesn’t seem to suggest Washington would retreat from this region. Meanwhile, it has been strengthening traditional military alliances along with China’s east and southern coast, even taking Taiwan as a non-NATO ally.

**Accelerating arms sales and improving military relations with Taiwan.** The White House’s stubborn action of selling sophisticated military equipment to Taiwan is viewed suspiciously in China as acts designed to prevent China’s unification and China’s rise, while encouraging radical separatists in Taiwan and anti-American sentiment in mainland China. The logic of United States’ weapons sales implies the U.S. is concerned with Beijing’s use of force. If the United States sells four Aegis-equipped warships as reported next year, it will damage fundamentally China-U.S. relations and open Pandora’s box in the Asia-Pacific.

**Strategic competition over the Korean Peninsula.** The Six-Party Talks gradually exposed China-U.S strategic divergences over the geopolitical status of the Korean Peninsula. It is interesting to see more tacit understanding between the ROK and China, comparing with that between the ROK and the United States, with regard to the means of dealing with Pyongyang. China's dissatisfaction at the uncompromising stance of the U.S. toward North Korea implies definitely that its pain should gain over Taiwan.

**The unbalanced China-Japan-U.S. triangular relationship.** Geopolitical competition in East Asia is one of the biggest reasons for Tokyo and Washington to walk together. Both the U.S. and Japan view China as a strategic competitor and a potential threat. To some extent, it is not so much a trilateral relationship as a bilateral relationship. The U.S.-Japan cooperation over National Missile Defense and anti-terrorism has defeated the utopian idea of a China-Japan or China-U.S. alliance. Furthermore, the U.S.'s unilateral support of Japanese policy over the Diaoyu Islands also shows the trilateral relationship to be unbalanced.

### **Anti-terrorism cooperation**

The Sept. 11 terrorist attacks didn't change U.S. military strategy toward China, this was shaped before George W. Bush took office in 2001. From the conservatives' view, China is a strategic competitor and terrorism is a strategic enemy. Thus, although China has been facing the Eastern Turkistan Islamic Movement (ETIM) terrorists and received international support from the U.N., the lack of bilateral comprehensive and solid cooperation over anti-terrorism maintained in the past three years will remain in the future. The U.S. decision to not return the released ETIM terrorists demonstrates how fragile cooperation over anti-terrorism is today.

### **The turbulent South China Sea**

Ownership of the Spratly Islands is disputed, in whole or in parts, among several countries. The United States views the disputes as leverage for constraining China's oil supply and China's economy growth. China has implemented the "good neighbor policy" very well for 20 years. To make the South China Sea peaceful and stable is the most important part of China's "peaceful rise" strategy. The involvement of the United States only fuels the tension in this region.

Of course, these six issues are mixed and interactive, and entail mutual suspicions between China and the U.S., and mutual misunderstanding as well. How can a healthy and peaceful China-U.S. relationship be maintained? What kind of role should China play in East Asia? Can we find a new direction for China-Japan-U.S. triangle?

These questions are even more important to China. Generally speaking, China is facing three strategic dilemmas: to maintain economic development strategy or to achieve national unification, to make peaceful foreign environment or to meet geopolitical pressures, and to implement a "good neighbor policy" or to beat back the "theory of the

China threat.” Unraveling these dilemmas is the greatest challenge facing the Chinese government in the next 10 years.

The urgent challenge comes from Taiwan’s independence movement. In terms of Beijing, Taipei, and Washington triangular relations and the role of the United States, it has three elements: “Reunification (*Tong*),” “Independence (*Du*)” and “the use of force (*Wu*).” In spite of possible Cross-Strait economic progress, a breakthrough in the political and military deadlock is very difficult without unambiguous U.S. support of Chinese reunification in a foreseeable future.

The U.S. government has reiterated that it maintains a “one China” policy and insists on an exclusively peaceful resolution of cross-Strait differences and does not support Taiwan independence, but will defend Taiwan as called for in the Taiwan Relations Act. It also rejects the use of force or the threat of the use of force to resolve differences. Here we can see the United States government’s position clearly on “use of force” and “independence.”

However, during Vice President Dick Cheney’s visit in mid-April, National Security Adviser Condoleezza Rice’s early July visit and Adm. Thomas Fargo’s late July visit, all of them were strongly informed of Beijing’s opposition to a proposed U.S. arms sale to Taiwan. The reason is that the arms sales have the potential to derail Chinese “unification.” What is peaceful resolution of cross-Strait differences? Does it mean peaceful reunification or peaceful independence? The U.S.’s ambiguous position over China’s unification makes Chinese suspect America’s intention of supporting Taiwan militarily and politically.

Chen Shui-bian’s controversial win in the election shows Taiwan’s wrong-road democracy and the separatists’ dangerous intentions. Beijing’s May 17 statement is a turning point in cross-Strait relations. The military tension across the Taiwan Strait has been heightening the confrontation from early this year. In this summer, mainland China held annual drills in the Dong Shan Islands, Taiwan held anti-amphibious landing drills, and seven U.S. aircraft carriers launched an unprecedented U.S. naval exercise in the western Pacific. A smell of gunpowder spread over the Taiwan Strait. Fortunately, Beijing and Taipei recently cancelled the subsequent confrontational military exercises.

In order to avoid war between two major powers, we need to build strategic understanding and confidence building measures. At the “United States-China Bilateral Workshop,” both Chinese and American experts realize the importance of the China-U.S. relationship to international peace and cooperation and the necessity of holding strategic dialogues.

From a liberal perspective, I would like make several recommendations that might be helpful for us to hold further strategic dialogues and get out of security dilemma.

First, being responsible for world peace and stability, China and the U.S. should establish some kind of mechanisms for mutual military dialogue and transparency, such as regular notification of military presence in specific areas and its purpose, and conduct joint military exercises (to be observers first).

Second, China and the U.S. should negotiate and sign bilateral treaties or joint statements over nonproliferation, arms control, and nuclear deployment in order to establish strategic confidence building measures.

Third, over Taiwan issue, the U.S. government should not maintain a bystander posture while being an arms supplier to Taiwan and criticizing China's military buildup. Under the "one-China" principle, Chinese government still has a large room to show flexibility and compromises in improving the cross-Strait relations.

To be or not to be? Definitely not to be.

# From Mutual Admiration to Real Partner – What Can the U.S. and China Learn from Each Other?

By Li Fan

One great thing about living in a foreign country is being able to discover your roots from a unique perspective; my two-year university life in Tokyo among a mixture of students from over 30 different countries definitely proved that point. Under the hat of East Asia studies on security in the Asia Pacific Region, many debates in my class focused on China, Japan, and the U.S.

Chinese and American students literally argued on almost everything: The U.S.'s role and ambition in Asia, democracy, human rights, Taiwan, you name it. But it didn't stop them becoming friends after class. As for my Japanese classmates, like the majority of Japanese people, most of them believed that their safety in the 21st century is assured as long as they firmly stand by the Japan-U.S. alliance while China is on the other side holding a completely different ideology. But is ideology really the most powerful element in the relationship between countries? I doubt it. At least there is something equally important: mutual admiration between people.

On the surface, the China-U.S. relationship has had many ups and downs. The establishment of the People's Republic of China was a great shock to members of the U.S. China lobby, which had been actively supporting Chiang Kai-shek for an anti-Japanese, pro-Chinese stance. Pressured by the same group, the U.S. government started exploring a scenario to have Japan return to international society as an "anti-communism partner." The result was the San Francisco Peace Conference, which marked Japan's comeback.

Since 1989, China-U.S. relations have been punctuated by events occurring every year; this annual cycle usually flows in the following pattern: Before U.S. Congress approved the Permanent Normal Trade Relations status to China, annual debates were held on China's Most Favored Nation status between March and June. March also sees the annual meeting of the UN Human Rights Conference, on which the United States can seldom help tabling a motion criticizing China's human rights situation. Besides this, the bombing of China's Embassy in former Yugoslavia in 1999 and the mid-air collision incident off Hainan Island in 2001 all happened in the spring and early summer. However, after July, ties between China and the United States, no matter how frayed, always managed to be restored.

So what lies beneath? Obviously the rise of China in the past ten years helped the two countries narrow the gulf between their differences and gain more common ground. The U.S. regards China as a major economic power with an attractive market while China embraces investment and technology from the U.S. People thought that U.S.-China relations in the early days of the Bush administration had chilled in comparison to Clinton days, but the September 11 terrorist attacks and Six-Party Talks on North Korea changed the tides. The last three years have witnessed frequent high-level meetings

between the two countries. Given this, U.S. Secretary of State Colin Powell commented in a speech last year that U.S. relations with China “are the best they have been” for the past three decades.

Moreover, the people of the two countries are attracted to each other with mutual admiration: Americans see China as the center of profound Asian civilization, while as *Meiguo (beautiful country)*, the Chinese expression of the U.S. indicates, Chinese people regard the United States as a country to marvel and envy. Apart from the different culture and religions, there are so many similarities (good and bad) between the two nations: pragmatic, reasonable, open, proud, humorous, independent, self-centered...Therefore, even if China-U.S. relations seem cool, they are supported by a dynamic that will prevent serious confrontation. Active exchanges between American and Chinese at all levels, especially the younger generation, are also worth noting. Young Chinese intellectuals in their 30s or 40s, many of whom went to school in the United States, are holding important posts in both politics and business today. Under such circumstances, an estimated 50,000 Chinese students go to the U.S. for further education.

Both sides could achieve more from these people-to-people links. In China, serious social problems in both urban and rural areas such as homeless, HIV/aids, migrant women’s human rights, as a side effect of the tremendous economic development, a significant number of nonprofit organizations have formed in the past five years. Their articles are starting to be recognized by the public and there is now a great need to gain much more skills and experience in this field. The United States has been considered as the seedbed of nonprofit activity, the flexibility and creativity of the nonprofit sector in the U.S. is a unique democratic response to solving social problems in a society characterized by extensive equality. The Chinese government has recently approved a new regulation of foundations which explicitly addressed international NGOs, and it is said that the next move will be a clear registration procedure for all international NGOs in establish mainland China chapters. More exchanges and corporations could happen between the NGOs in U.S. and China under such an environment.

At the government level, maybe it’s time for the Bush administration to look more to China’s new diplomacy approach for a vision of a multilateral security framework. Based on the principle of ‘mutual trust, mutual benefit, quality and co-ordination’, China is not forcing other countries to adopt its vision, but instead giving them compelling reasons to get involved. The message from China to the U.S. government is how to shed its unilateral stand and ensure the country plays a responsible leadership role in the global community. After all, that is what a beautiful country really is about.



## Sino-U.S. Relations and Regional Security

By Nakagawa Yumiko

The conference presented mixed view on the prospect of the U.S.-China relationship. Positive development in the bilateral relationship was congratulated; while some suspected that prospect would not be as bright as one to hopes. With increase interaction between two countries and judging from statements by government officials, it might be easy to assume that the positive development will lead to a long-lasting relationship based on the common interest – regional stability. However, the U.S. and China might be talking about different “regional stability.” Neither the U.S. nor China did not create this positive development; rather, it was granted by economic trends and the security situation after Sept. 11 and the foundation may not be as solid as it appears.

While many participants cited “regional stability” as the shared interest between China and the U.S., a precise definition of regional stability was unclear. Relying on the ambiguity might fail the U.S.-China relationship when critical challenges emerge. One of the broad definitions is both parties’ unwillingness to involved in armed conflict. However, there are other definitions of “regional stability” in which the U.S. and China might not find a common interest. For example, to the U.S., regional stability includes peace in the Taiwan Strait, while China sees the solution of Taiwan issue as a necessary piece for stable Northeast Asia. Furthermore, the concept of “threat” to regional stability differs. While the U.S. sees North Korea’s current regime as the primary threat in the region, China focuses on North Korean nuclear policy. On the other hand, the U.S.-Japan alliance is another Chinese security concern.

In order for the U.S.-China bilateral relationship to be a driver for regional stability, rather than an obstacle, regional stability which the bilateral relationship will be based on has to be precisely defined and understood by both sides. As regional stability cannot be attained, but must be maintained through confidence between parties, it is crucial for both governments to decide on exactly where they agree and differ. Constructive bilateral relationship involves extensive dialogues, consultation, and understanding. Vital security issues need to be discussed in both track-two and diplomatic levels. For example, Taiwan should be the agenda on the bilateral relationship, not necessarily because Taiwan is an international issue, but Taiwan could be where the U.S. and China disagree thus harming the bilateral relationship.

Lack of common understanding of “regional stability” does not necessarily mean that the bilateral relationship is doomed. The problem is not in difference, but in the inability of China and the U.S. to address differences and to agree to disagree. China and the U.S. do not have to be best friends. As China and the U.S. are different in many levels – political system, economy, society, and national principles, to name a few – it is natural to assume that China and the U.S. will find more differences than commonalities. However, the U.S. and China need to secure communication channels and manners to avoid having the different interests and values create mistrust between the two countries.

Ideally, if China and the U.S. will be able to discuss delicate issues related to Northeast Asian security, the region's stability will be secured. Increase in volume of interaction is welcomed, but not celebrated unless the quality of interaction rises. Regional stability requires that China and the U.S. enrich their relationship to the extent that both governments will not have to be afraid to agree to disagree. The toughest test will be Taiwan: Are China and the U.S. willing and able to talk about each other's Taiwan policy rather than repeating accusations? Is there really common ground in the pursuit of the stability in the Strait?

To conduct such delicate discussions, overseas Chinese, who had exposure to more than one culture, should be utilized. Coming from different education systems, political culture, and history, communication between Chinese and Americans requires patience and cultural translation. Through the conference, especially as a non-China expert, I often found myself confused by Chinese participants' views and would have misunderstood if there were not translation by other Chinese participants who had intensive exposure to other cultures and understood my confusion. Especially on politically delicate issues, differences in discussion manners became major obstacles to understanding, which highlighted the importance of cultural translators to ensure the communication is productive.

The conference presented uncertainty in the U.S.-China bilateral relationship. However, at the same time, it became clear that Northeast Asia embraces new dynamism in the China-U.S. relationship. In this dynamism, China will likely to play a more cooperative and positive role. The U.S. role will be more complicated than the reliable ally of Japan and South Korea. From a Japanese point of view, the positive U.S.-China bilateral relationship should be welcomed as it is expected to contribute to regional stability. That is, as long as Japan manages to adjust to new dynamics in the regional security sphere. In order to do so, it is crucial to articulate its security policy and to improve its bilateral relationship with China. As China becomes more influential in Northeast Asian security, the importance of shifting the China-Japan relationship from history-dominated to a more comprehensive relationship is evident. At the same time, as the relative significance of the U.S.-Japan changes in the Northeast Asian context, it is necessarily for Japan to articulate its national principles based on solid pacifism.

## Sino-U.S. Relations and Regional Security

By Song Jung Hwa

To engage or to isolate? To wield carrots or sticks? Such questions have long dominated the discussion agenda concerning the North Korean nuclear crisis. Though it has become clear that engagement seems to be the only peaceful option, the question, “For what ultimate purpose do China and the U.S. choose to engage North Korea?” has lain dormant and may not be broached even in the near future. Instead of making each other’s intentions clear, Chinese and U.S. presidents and other representatives have shaken hands and smiled for cameras under the rosy banner of “common goals” toward the Korean Peninsula. Similarly, both U.S. and Chinese presentations at the conference (“China-U.S. Bilateral Relations and East Asian Regional Security” at Fudan University, Shanghai, Aug. 5-7, 2004) frequently alluded to this same set of “common goals.” However, individual presentations as well as general attitudes expressed by both the U.S. and Chinese sides made salient an overlooked chasm in the two powers’ long-term goals for North Korea.

The U.S. has consistently made it clear that its main priority is to avoid a nuclear North Korea at all costs. The Clinton administration endured especially sharp criticism for purchasing North Korean cooperation in shutting down their facilities at Yongbyon. However, such “appeasement” by the U.S. has never been intended to prolong DPRK longevity but rather obviate disaster. Following the demise of the Great Leader in 1994, the U.S. government adopted a wait-and-see approach, and many White House officials were both convinced and relieved that North Korea would soon collapse both swiftly and of its own natural course. U.S. policy has never been DPRK-friendly. The U.S. has tried or considered measures that would catalyze North Korean collapse (such as economic sanctions or surgical strikes) that were rejected during the Clinton administration almost solely because of their not-so-surgical consequences to U.S. allies in the region.

China, on the other hand, has been working hard to buoy the DPRK, which had been working equally hard to keep afloat amidst a decade of crises. Although China has stated repeatedly that it “supports a non-nuclear Korean Peninsula,” does it then absolutely reject a nuclear North Korea? The U.S. should not put excessive faith in China’s diplomatic brokering. If China were given the two unsavory options of a weak, unstable North Korea constantly teetering on the brink of collapse vs. a stable, nuclear North Korea, China may soften its stance on “no nukes or no deal.” Despite Chinese concerns regarding Japanese and Taiwanese nuclear development, we cannot be positive what China may be willing to concede during deal-time.

Though sufficiently irked by North Korea’s simultaneous recalcitrance and dependence on China, China’s long-term goal is to strengthen and preserve North Korea, perhaps even at all costs. The Chinese Communist Party has commissioned multiple scholars to conduct North Korea-China research and maintain intimate relations with scholars in Pyongyang’s main think tank; one Chinese academic even proudly displays his padlocked cabinets stacked with reports mostly on North Korean refugees in Jilin province when refugee flows were perhaps closer to a refugee trickle. Besides the close

watch and research, China's pocketbook and reputation have both sustained significant damage with its generous donations of food, fuel, and electricity; opening up of the northeastern border areas for unofficial and official trade; and taking international heat for repatriation of defectors. Yet China shows little or no signs of scrimping in the near or distant future. Such blind (and sometimes unsolicited) Chinese magnanimity toward North Korea has amazed and befuddled even inner-circle Chinese academics. (By "inner-circle academic," I simply mean those scholars who have been directly specifically commissioned by the CCP to conduct research on North Korea-China relations.) One such scholar whom I interviewed said that the Chinese government purposely remains silent on its long history of extensive aid to North Korea, and the reason for such reticence has never been apparent or stated. However, one thing is clear: China's policies and actions point to the fact that China will go to great lengths to preserve North Korea. This is something the U.S. must be sensitive toward. The U.S. must acknowledge that China's "third party" status in multilateral talks does not preclude the fact that it is an individual player with distinct national interests. Basically, the U.S. and China must not put excessive faith in their "common goals."

The U.S. and China must acknowledge that their common short-term goals may look quite different in the long-term, and they must be willing to discuss both short and long-term visions for the Korean Peninsula and expected roles of those countries involved in the engagement process. They must first strike a balance and only then will they be able to bring a clear, unified message to North Korean negotiations.

# **From the Last Resort to the Best Preparation: How to Build Strategic Mutual Trust between China and the U.S.**

By Wang Yiwei

## **China Threat vs. America Threat**

After the end of the Cold War, the “China threat” has had a huge following in American official and academic circles, that have criticized the Chinese government as the enduring Cold War mentality. In the White House and Pentagon, the hawks treat China as the long-term strategic adversary; at the same time, because of the deprecation of the Taiwan problem and America’s continued sales of advanced weapons to Taiwan, which China believes is encouraging of Taiwan’s independence. In the eyes of Chinese strategists, “the America Opportunity Theory” has been replaced by “the America Threat Theory.” Tough voices can be heard frequently concerning “Taiwan’s independence” including views that China will not dare to have the strategic showdown with the U.S., nor to engage in the nuclear war.

Considering China and the U.S. are all nuclear powers and given their basic disputes over the Taiwan issue, people begin to worry about the possibility of nuclear confrontation between the two great powers. Mutual assured destruction (MAD), which has disappeared from the minds of people with end of the Cold War, has returned as a relevant topic right now. The recent military exercises of China, America, and Taiwan confirm and strengthen such worries. Both sides across the Strait are all talking about “you can win the peace only if you can win the war.” This seems to return to the logic of thousands of years ago: if you want peace, please prepare for war.

How can we surpass the Cold War logic, and changing China-U.S. relations from the path of preparing for the last (and worst) resort to pursue the best? We must build up the strategic mutual trust between China and the U.S. especially on the Taiwan issue.

## **Balance and Power vs. Preponderance of Power: Soft conflict between Chinese and American thinking**

Besides Chen Shui-bian’s intentional provocations (history has witnessed many examples of small powers drawing great powers into conflicts such as Britain and France during the Fashoda Crisis in 1898), the deeper reasons for China-U.S. relations from strategic partnership to strategic competition lie in the soft conflict initiated by the different strategic thinking between China and the U.S. On the Taiwan issue, China advocates the policy of “peaceful reunification” and “one country, two systems” at the same time it “can not promise to give up using of military force.” China’s way of thinking is the logic of “subduing the enemy without any fighting,” i.e. only when Mainland China is strong enough, then it can defeat any impulse of Taiwan independence and keep peace and stability across the Strait. On the contrary, Chen Shui-bian’s logic is achieve de facto independence of Taiwan before the preponderance shift in the

Mainland's favor. In his "5/20" inaugural speech he stated clearly that China's next twenty-year "Strategic Opportunity Period" is the strategic opportunity period for Taiwan's democracy and prospect, in other words, strategic opportunity period towards independence. This brings about great distrust across the Strait. America, limited by its promises, has no choice but to pin the side of Taiwan to its laws, risking confrontation with China. So, the strategic distrust between China and the U.S. has been enhanced. On the Taiwan issue, America's logic is "peace comes from a balance of power." But Chinese former president Jiang Zemin suggested reducing America's weapons sales to Taiwan and decreasing China's missiles' deployment in Fujian when he met President G.W. Bush at Crawford, Bush resolutely denied his suggestion, disappointing Jiang.

To many in China, America's excuse of keeping the balance of power across the Taiwan Strait is quite hypocritical. China feels that the United States sells advanced weapons to Taiwan and enhances the military alliance among the U.S., Japan, and Taiwan while at the same time insisting on the so-called "one China" policy to comfort the mainland with the empty commitment of "not supporting Taiwan's independence." Actually, besides the "one China" policy (indeed, the U.S. "one China" policy is totally different from China's "one China principle"), America has another policy – "one Taiwan policy." America's "one China" statement is weak while the "one Taiwan" policy is solid. In the eyes of Chinese, America's position of not supporting Taiwan's independence is tactical and insincere while supporting Taiwan's peaceful separation from the mainland is strategic and essential. More and more facts show that the U.S., due to the restraint of provisions and systems, is deeply involved in a soft conflict with China. Whether we can govern and manage Sino-U.S. relations well concerns world peace and regional stability, which can't rely on Chen Shui-bian's regret and clear-headed news, but should depend on the foresighted people of both sides.

### **Strategic Misunderstanding between China and the U.S.**

The strategic mistrust between China and the U.S. is not limited to Taiwan. China's thinking about the North Korean nuclear issue is quite clear: to advance the establishment of peace arrangement on the Korean Peninsula through the Six-Party Talks, ending the Cold War in the Peninsula and then to promote Asia's integration and Asia's rise. The future solid regional cooperation in Northeast Asia will lay a foundation for China's peaceful rise. But America doesn't believe in this model. As Scott Snyder and other American participants point out at our conference China is playing the North Korean nuclear card, hoping to make a deal with the U.S. on the Taiwan issue. Divergences within the Bush administration enhance the misunderstanding of China: Pentagon and the White House, even inside of State Department have different proposals so that the U.S. missed the chance to reach an arrangement with North Korea, which objectively has been giving the chances to speed up its nuclear program. The internal disputes in Bush's administration not only damaged the U.S. national interests, but also sent wrong and confused signals to the outside world. The check and balance and disputes within the American government result in the strategic ambiguity and damage the U.S. image in the world. The next U.S. government should avoid this.



China's peaceful rise strategy has positive meanings for the United States. It sends two basic signals to the Americans: China will not challenge U.S. hegemony in the world and China hopes to keep the status quo across the Taiwan Strait; China is not eager to solve the Taiwan problem, prohibiting Taiwan's independence not achieving unification is China's main task in the next twenty years. All these information is positive to the U.S. But the Americans in power deeply distrust China, and are inclined to think that the Chinese peaceful rise strategy and talk of strategic opportunity is designed to speed up China's rise when the U.S. has been involved deeply in the Middle East and the anti-terrorism campaign. China's anti-terrorism is just a gesture not indeed; China may achieve a peaceful rise, but after that, China will not bring about peace. So the U.S. highlights the model of India's peaceful rise, demoting and even questioning the Chinese model. On the peaceful rise issue, the United States focuses on the result while China emphasizes the process. This is the result of various models between China and the U.S. This is the inevitable result of a lack of strategic mutual trust between China and the U.S. More generally speaking, this is the outcome that the U.S. habit to prepare for the worst scenario. I recall that Deng Xiaoping was interviewed by an Italian reporter on the "one country, two systems" policy in Hong Kong: "Why will China keep the system of Hong Kong for fifty years and not longer?" Deng answered, "Fifty years is the transition period; after that, there is no need to change (Hong Kong's system)." Therefore, if China can grasp the next twenty-year "Strategic Opportunity Period" and achieve a peaceful rise, then China will be on the complete, verifiable, irreversible (CVID) peaceful track for a peaceful rise!

### **Back to the Future: Strategic Trust is the Key**

If both China and America on their own logic, caring little about the others, they will follow in the footsteps of "the security dilemma" between the U.S. and the Soviet Union during the Cold War. An Arms race and military exercises across the Taiwan Strait are omens. The U.S sales of advanced weapons to Taiwan is like pouring oil on fire. For the U.S. itself, it will be like drinking poison to quench thirst. The United States will know sooner or later that the arms race across the Taiwan Strait endangers the stability of China-U.S. strategic relations and in the end forces a the strategic showdown for the two countries. The U.S. is proud of its democratic institutions but the checks and balances within the U.S. government kept America from pulling troops back from Vietnam. The military-industry complex, lobby politics, and campaign politics have forced U.S. deeper into the Taiwan issue. On the Taiwan issue, China and the U.S. are driven by domestic politics. Chinese domestic politics makes the American so-called nationalism and anti-Americanism rise, which restrains the Chinese government from making soft gesture on Taiwan issue. To some extent, we can say that China and America are all falling into a strange dishonest circle because of Taiwan: Beijing just talks about "one China principle" and "Three Communiqués" to its people, but never mentions "the Taiwan Relations Act" and "Six Assurances"; while the White House speaks the later (not the former) to Taiwanese and Congress. The situation across the Taiwan Strait was totally different in the past. U.S. policy of strategic ambiguity is either out-of-date or not working. In my opinion, it is the time for America to change its assurance from the original "does not urge the Taiwan authority to go to the table to negotiate with the

Mainland” into “not be responsible for the unilateral results of Taiwan’s independence impulse.”

The situation across the Taiwan Strait requires us to handle the problem with in great intelligence rather than tactically, looking for the farsighted results rather than short-term benefits and finally to build up the strategic mutual trust between China and America. I found with quite regret that the “United States-China Bilateral Workshop” held on Aug. 5-7, 2004 at Shanghai co-sponsored by the American Center, Fudan University, Pacific Forum CSIS (Asia Pacific Center for Security Studies) was not designed and tried to analyze the basic agenda on these serious topics, but instead stayed the ordinary circles of Sino-U.S. bilateral relations: domestic politics, Taiwan, North Korean nuclear issue and other very general angles. Hence, scholars on both sides defend their government’s positions, and lose their identities as true scholars to express their own opinions. This is against the principle of academic debates but falls into the political quarrels between the two countries.

I would like to suggest that we should design the following questions to solve the scholars’ double identities dilemma to conclude my paper.

One, in your opinion, what kinds of problems do China and America confront? Which of them are fundamental? Which draw the most concern? How do we solve these problems? Accordingly, what should we expect and suggest for Sino-U.S. relations?

Two, what is the essence of disputes between China and America? Which have the characteristics of national interests? Which are caused by different models? Which are the inevitable outcomes of the political culture disputes?

Three, how do Chinese scholars view U.S. grand strategy and how do American scholars view China’s grand strategy?

Four, how can we build strategic consensus between China and the U.S., especially on the Taiwan issue, going beyond the dishonest circle swinging from TRA and Communiqués? Is it possible to freeze the situation across the Strait and focus on long-term strategic cooperation between China and the U.S.?

In sum, try to practice changing positions, i.e., let Chinese scholars play the roles of American ones and American scholars play the roles of Chinese ones and debate disputes between China and the U.S.



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