



U.S.-Japan-ROK Relations for the 21st Century

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*Issues and Insights
Vol. 7-No. 5*

*Honolulu, Hawaii
May 2007*

Academy of East Asian Studies, Sungkyunkwan University

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Acknowledgements

The Pacific Forum CSIS would like to thank the Center For Global Partnership, the Japan-U.S.-Friendship Commission, the Korea Economic Institute of America, the Institute for Defense Analysis, the Academy of East Asian Studies, Sungkyunkwan University, and The New Asia Research Institute for their generous support. Pacific Forum would also like to thank The Luce Foundation, the Freeman Foundation, and the Yuchengco Group for their support for the Young Leaders program.

The Pacific Forum CSIS would especially like to thank Dr. Rhee Sang-woo for his vision, intellectual guidance, and leadership since this project began. Dr. Kim Tae-hyo gets special thanks for his work organizing the ROK half of this program.

Mr. Glosserman thanks Ms. Ana Villavicencio and Ms. Christina Hatfield for making the conference as pleasant, painless, and productive as it was. They did great work, as usual.

Executive Summary

The United States, Japan, and the Republic of Korea *should* have a strong trilateral relationship. The three countries are advanced industrial economies whose trade, investment, and commerce are deeply intertwined. They share fundamental values: respect for human rights, democracy, and the rule of law. Tokyo and Seoul have been U.S. allies for over half a century and all three governments share regional security concerns.

And yet, tensions between the three countries now seem to prevail over shared interests. Washington's seeming hostility to North Korea has alienated South Koreans who worry about being dragged into a war; the rise of a new generation of politicians in Tokyo that appears ready to review history has antagonized South Koreans (and even worried some Americans); a South Korean president who appears to show little hesitance to play anti-American and especially anti-Japanese cards to advance his political agenda has angered both Americans and Japanese. All three countries are debating national identity and this process will shape relations among the societies. In Korea and Japan, those debates are even more complex as a younger generation comes to power and brings a new outlook to political decision-making.

Korea is increasingly concerned about new security threats: the spread of weapons of mass destruction, energy shortages, environmental destruction, ethnic conflicts, and unregulated population movements. North Korea poses particular problems for the South. South Korea must better understand the nature of its alliance with the U.S. and the appropriate role that it can play on the Peninsula and in promoting peace in Northeast Asia. Enhanced cooperation with Tokyo should go hand in hand with a revitalized relationship with the U.S.

Japan's strategic vision is a work in progress. The government is modernizing the security bureaucracy. Prime Minister Abe aims to revise the constitution; he seeks a review of the right of collective self defense, and wants Japan to be free to join international security operations, not just peacekeeping or reconstruction efforts as is currently the case.

Tokyo has reached out to Australia and India in its strategic discussions, but it has ignored the ROK. There is a need for closer ties between the two countries; a stronger relationship between Seoul and Tokyo would strengthen deterrence on the Korean Peninsula. Similar strategic circumstances should push the two governments to cooperate on security and other issues.

The U.S. should be present in Asia and act as a leader within the region and reinforce its alliances, not replace them. The U.S. needs to think more expansively about how it engages Asia. The process of adaptation is evident in the ROK-U.S. Free Trade Agreement (KORUS), which, if ratified by both sides, should expand the relationship into new dimensions. At a minimum, the U.S. must better understand the thinking of allies, partners, and even potential adversaries. Nations must identify shared concerns and

devise cooperative approaches to deal with them. Shared threat perceptions no longer suffice as the sole basis for security relationships.

KORUS shows Korea is a pathbreaker in relations with the U.S. Washington's readiness to cut a deal with Seoul and not Tokyo sends a clear message. With little progress in Korea-Japan FTA negotiations – stalled after a year – it appears that Tokyo could miss out. The benefits of the trade pact for the ROK are clear. It will deepen U.S. economic integration with a key Asian economy and provide trans-Pacific balance in the “noodle bowl” of trade deals in the making in Asia. Strategically, the agreement provides a counterweight to growing economic ties between China and South Korea. Unfortunately, the KORUS is likely to spawn more bilateral deals. Ultimately, the various trade deals have to be reconciled in a single multilateral regime. That will require political leadership, but no government has the will or the credibility to make that happen.

Recommendations flowing from the deliberations include the belief that the three governments should institute trilateral and Japan-ROK bilateral defense dialogues; reinvigorate trilateral coordination in regard to North Korea; promote trilateral security cooperation and dialogues in military operations other than war; promote trilateral cooperation in the Asia-Pacific context; enhance bilateral cooperation that aims toward a Japan-ROK declaration like the Japan-Australia declaration; and enhance cooperation with NATO and UN Peace and Security operations.

Successful trilateralism requires healthy bilateral relations. A conservative victory in the ROK presidential election in December 2007 won't cure all the problems in Korean relations with the U.S. and Japan, but could make a significant and sharp improvement possible. Nor would a progressive victory necessarily spell trouble for the alliances, especially if the alliance and the U.S. in general do not become embroiled in ROK presidential politics. There were few concerns about U.S.-Japan relations but some Japanese openly wonder about the U.S. commitment to a nuclear-free Korean Peninsula and the global nonproliferation regime – U.S. insistence on its fealty to complete denuclearization and nonproliferation notwithstanding. The big question mark is the third pillar: relations between Tokyo and Seoul. Japan and South Korea need each other: To improve relations, many would argue that Seoul needs a new president and Japan needs a “zero tolerance” policy when it comes to historical revisionism.

Relations among the three countries have had continuous ups and downs over the past decades. There are multiple sources of tension within the relationships, but common concerns and interests – and cooler heads – have invariably prevailed. It may be too much to expect relations among the three to chart a single, stable trajectory; that is likely to yield frustration as progress appears elusive and the partners find themselves fighting over the same issues time and time again. Nonetheless, the stakes are high. They justify the time and energy that the Pacific Forum CSIS, its partners and other proponents of trilateral cooperation have invested over the years and demand continuing efforts in years to come.

Conference Report

The United States, Japan, and the Republic of Korea *should* have a strong trilateral relationship. The three countries are advanced industrial economies whose trade, investment, and commerce are deeply intertwined. They share fundamental values: respect for human rights, democracy, and the rule of law. Tokyo and Seoul have been U.S. allies for over half a century and all three governments share regional security concerns. The societies themselves have become deeply intermingled; two-way traffic between Japan and Korea averages about 10,000 people each day, and an excess of 100,000 ROK students study in the U.S. U.S.-Japan trade has reached \$207 billion annually, and U.S.-ROK trade is now \$78 billion per year.

And yet, tensions between the three countries now seem to prevail over shared interests. It is tempting to argue that relations are fraying because of very particular circumstances: the specific policies and actions taken by the leadership in the three capitals. Washington's seeming hostility to North Korea has alienated South Koreans who worry about being dragged into a war; the rise of a new generation of politicians in Tokyo that appears ready to review history – and seems indifferent to the hurt inflicted by visits to Yasukuni Shrine, for example – has antagonized South Koreans (and even worried some Americans); a South Korean president who showed no hesitance to play anti-American and especially anti-Japanese cards to advance his political agenda has angered both Americans and Japanese.

Is this explanation convincing? Are the problems in the various bilateral and trilateral relationships really attributable to the short-term policies of each government? Or are there other, more deep-rooted, structural and long-term factors at work? If so, what can be done to remedy them? To answer those questions, the Pacific Forum CSIS, the Institute for Defense Analysis, the Korea Economic Institute, and the Academy of East Asian Studies together at Sungkyunkwan University brought 46 experts and 20 Pacific Forum Young Leaders to explore in detail U.S.-Japan-ROK relations in the 21st century.

Domestic Developments and Implications for Relations

Even if it isn't determinative, there is no doubting the significant – and growing – role that domestic politics plays in the relationships. To commence our discussions, Tanaka Akihiko of Tokyo University looked at the changes brought about by the resignation of Japanese Prime Minister Koizumi Junichiro and his replacement by Abe Shinzo. The biggest change is the PM's determination to reverse Tokyo's declining relations with Beijing and Seoul. To that end, he visited Beijing and Seoul upon taking office and appears to have shifted his stand on visits to Yasukuni Shrine. A conservative nationalist, Abe had forcefully defended a leader's right to visit the shrine, a sore spot for Japan's neighbors because of the 14 Class-A war criminals enshrined there. Yet, upon taking office, Abe has deferred a visit and seems ready to maintain that position out of deference to his neighbors' concerns.

That foreign policy initiative is one of the few bright spots in Abe's tenure. His first few months in office were characterized by scandals, gaffes by Cabinet members, and plummeting approval ratings. Public opinion of his administration has stabilized and improved since the successful April visit of Chinese Premier Wen Jiabao to Japan and Abe's subsequent trip to Washington in May. At home, his Liberal Democratic Party (LDP) maintains a comfortable majority in the Lower House, but the government (the LDP and its Komei coalition partner) could lose its majority in the Upper House election scheduled for July. Normally, a "big" loss in that vote would force Abe's resignation, but Tanaka noted that there are no strong contenders in the LDP and Abe belongs to the biggest faction within the party, and so speculated that Abe might stay in office despite an electoral drubbing.

While Tanaka considers Abe to be a more "ordinary and normal" politician than Koizumi, the new PM does have a vision of how Japan should evolve – it should become "a beautiful country" – and he is eager to facilitate that process. He is putting pieces in place, for example, to permit constitutional revision, which may occur long after he has left office.

Curiously, little was said about relations with South Korea. Abe used North Korea – specifically the abductee issue – as his political platform, but he hasn't given much indication of how Seoul fits into his vision. Tanaka explained that Abe is waiting to see how ROK politics evolves.

Most South Koreans anticipate a shift in Seoul's policies after the December 2007 presidential election. President Roh's single-digit approval ratings have discredited many of his policies; South Koreans are increasingly hard line when it comes to engaging North Korea and less critical of the U.S. In fact, changes are already under way. Mah In-Sub of Sungkyunkwan University argued that the "U.S. and the ROK are on the threshold of a new relationship" as a result of progress in dealing with North Korea (evidenced by the Feb. 13, 2007 Six-Party Talks Agreement) and the agreement on a Korea-U.S. free trade pact (KORUS).

Mah, like many in the two countries, sees the KORUS as a strategic move to rebalance the U.S.-ROK alliance and strengthen a pillar – economic engagement – that has been undervalued. It shifts attention away from the threats that bind the two countries to the shared values – economic freedom and open markets – that unite them. It is worth noting that 51.2 percent of Koreans are satisfied with the FTA negotiations; 42.2 percent are not. Just as important, successful negotiations and the appearance of better relations between Seoul and Washington have resulted in an uptick in Roh's approval ratings. There is a lesson here for politicians thinking about the presidential ballot and subsequent parliamentary votes.

There has been no similar bounce for the U.S. president. His approval ratings – and indeed his administration's foreign policy agenda – continue to be dominated by Iraq. This doesn't help U.S. relations with Asia since, as Scott Snyder of Pacific Forum CSIS and the Asia Foundation explained, this "distorts the terms under which most Asians would prefer to interact with the U.S." If Asia gets the attention of policymakers on its own merits, the usual subject is China, and the community of Asia specialists is divided

on how to deal with the complexities of the China challenge. Snyder believes there is a more fundamental debate in Washington about U.S. priorities in the region: should Japan or China come first in U.S. thinking? Korea, said Snyder, is not a big issue, the force realignments and the free trade pact notwithstanding. Both have been left largely to specialists, and the jury is still out on the trade deal since many details have not been disclosed.

Snyder argued that the most important factor in U.S. domestic politics is the return of divided government, a result of the Democratic Party's win in the November 2006 congressional elections. The Democrats are now challenging the president on a range of issues. Divisions are sharp, but on some concerns, such as North Korea, there is evidence of new flexibility from the administration, evidenced by the willingness to OK the release of North Korean funds at Banco Delta Asia in Macao and to sign the Feb. 13 agreement.

While Washington's readiness to deal with Pyongyang has helped close the gap between the U.S. and South Korea, relations between Japan and South Korea remain troubled. Former ROK Foreign Minister Yoon Young-kwan blamed rising nationalism in both countries for the wrinkles in the relationship. While Seoul has tried to be "forward leaning" when dealing with Tokyo, Yoon argued that Prime Minister Koizumi's insistence on visiting Yasukuni Shrine made reconciliation problematic. Recent developments in South Korea show policy is moving back to the center; relations with Japan should improve – if Japanese leaders can encourage their counterparts in Seoul (and the Korean public) to embrace a pragmatic mindset. This means avoiding inflammatory actions and demonstrating a sincere desire for a strong relationship. Yoon argued that history shows that politicians can't be counted on for prudence, and institutional webs based on functional interests that check individual irresponsibility – such as those created in Europe after World War II – are best to overcome hostilities.

Developments in Japan prompted the most discussion. While Prime Minister Abe intends to build "a beautiful country," it is unclear just what that means. Abe has focused on security policy and a conservative social agenda, but he has not shown how either fits within a larger strategic vision. More significant, it is by no means clear that a majority of Japanese share his vision for the country. As one Japanese participant pointed out, "regaining national pride is not a dominant theme in Japanese domestic politics." Another Japanese participant agreed, explaining that the younger generation of Japanese wants their country to be a respected international actor, capable of contributing to international peace and security – when the effort is legitimated by an international authority. This is not, he stressed, conventional nationalism.

The fissures in Japanese society – and the possible consequences of the conservative agenda – were exposed in March when the prime minister appeared to reopen the national debate over the Imperial Army's role in recruiting "comfort women" during World War II. Abe challenged the conclusion that the army had coerced "in a narrow sense" women into prostitution, and appeared to repudiate the 1993 statement of former Chief Cabinet Secretary Kono Yohei acknowledging government involvement in the sordid policy. The uproar that followed threatened the newly improved relations with China and South Korea and cast a long shadow over relations with the U.S. (A

Democratic Congressman has introduced a resolution demanding a Japanese apology for the comfort women. Japanese attempts to kill the resolution only increased support in the Congress and threatened to become an issue in the upcoming Bush-Abe summit.) The U.S. had remained officially silent during the contretemps over Koizumi's visits to Yasukuni Shrine, unwilling to take sides with one ally (Japan) against another (South Korea) or with China against an ally. (Privately, U.S. officials and friends of Japan underlined the damage the visits did to Tokyo's image and its efforts to raise its international profile.) An American participant cautioned that Washington may have attempted to stay neutral during the controversy – and believed it had done so – but that was not the perception of others.

The prospect of Japanese revisionism has many Asians concerned – and many Japanese, too. The country does not have a commonly shared identity or national strategy in the 21st century. There is increasing confusion about Japan's place in the region and the world, and forging a consensus on that sense of place and purpose is the country's most pressing task. While security specialists focus on the military dimension of that effort, it encompasses all parts of society and the state, from politics and economics, and necessarily influences – and is influenced by – relations with neighbors and allies.

This is not a uniquely Japanese experience. Korea too is struggling to define itself as the regional security landscape evolves, domestic politics mature, and its relations with neighbors adjust. The conclusion of the Korea-U.S. free trade agreement highlights many of the forces at work on Korean society, and voters will have to decide how they will adapt to globalization and an increasingly competitive international economy. American voters must make similar choices.

In short, all three countries are debating national identity and this process will shape relations among the societies. In Korea and Japan, those debates are even more complex as a younger generation comes to power and brings a new outlook to political decision-making. This generation has different views of the appropriate relationship with allies – both Koreans and Japanese demand more equality within their alliance with the U.S. – and how they view and conduct relations with neighbors (in particular, China and North Korea). But generalizations must be qualified: In Japan, the political spectrum has shrunk as the left has been discredited and the political center of gravity shifts to the right. In Korea, political spectrum has lengthened as progressives occupy the Blue House. But the public has grown disillusioned with President Roh Moo-hyun and opinion polls show rising conservatism among the youngest cohort of voters. The pendulum is swinging back.

These identity debates are difficult and potentially divisive. But those difficulties have been magnified by the politics involved: As one U.S. participant observed, political leaders in each of the three countries aim to transform the structure of politics within their country: Karl Rove seeks a “permanent Republic majority,” Koizumi wants to break the Tanaka faction for good, and Roh wants to end the regionalism that has dominated Korean politics. This raises the stakes and hardens divisions. It also encourages politicians to play the history card for domestic reasons, despite the international consequences of that decision.

Strategic Concerns and Long-term Visions

A conflict between domestic politics and international diplomacy presumes that there is a strategic vision for each country. Our second session examined strategic perspectives in Korea, Japan, and the United States. Kim Tae-hyo of Sungkyunkwan University explained Korea's role in a changing Northeast Asia. In his formulation, the China-U.S. relationship is the key factor shaping regional peace and security. There are tensions in that relationship, but they should be contained: the balance of terror and international norms that no longer accept violence among major powers should keep disagreements from getting out of control. That does not mean that conflict will not occur, however: the two countries' competing interests make that a real concern.

Korea is increasingly concerned about new security threats: the spread of weapons of mass destruction, energy shortages, environmental destruction, ethnic conflicts, and unregulated population movements. Yet Kim conceded that there is no sense of urgency to deal with these issues, and no government is prepared to take the lead in responding to them.

North Korea poses particular problems for the South. Kim believes that both Seoul and Pyongyang share a commitment to regime survival in the North: the prospect of its isolation, economic deterioration, or the possibility of war focuses the minds of South Korean security planners. While the government in Seoul welcomed U.S. readiness to make a deal on Feb. 13, 2007, Kim argued that Washington sacrificed two principles that day: that it would not reward bad behavior and that it would not deal bilaterally with North Korea. With Pyongyang convinced that nuclear weapons are integral to its survival, the deal in his opinion undermined hopes for a denuclearized Korean Peninsula and could upset the regional order.

South Korea must better understand the nature of its alliance with the U.S. and the appropriate role that it can play on the Peninsula and in promoting peace in Northeast Asia. Kim argues that some Koreans mistakenly think that Seoul can "balance" among the countries of the region; that logic ignores South Korea's real status – a relatively small power among the others – and the alliance with the U.S. Solid relations and mutual trust between the Seoul and Washington are the starting point for Kim's security calculations.

After that relationship is pinned down, Seoul can focus on relations with Japan and China. While South Korea needs better relations with both countries, there is considerable confusion about what that means in real terms. Analysts use terms like multilateralism, collective security mechanism, and multilateral cooperation interchangeably. Each has a different meaning and is appropriate in different contexts. The countries of Northeast Asia should start by identifying issues of shared concern that provide a foundation for cooperation. This process will help build trust and promote multilateralism.

Kim provided one perspective on South Korean strategic interests. In an attempt to see how the next generation views these concerns, a Pacific Forum Young Leader from each country served as discussant for each "senior" presentation. While accepting Kim's

formulation of ROK strategic interests, Junbeom Pyon, a Pacific Forum CSIS Vasey Fellow, was more inclined to elevate Japan within Korea's strategic framework. He argued that growing concern about China's rise should bring Japan and the ROK together (while questioning whether it will). He sees the Korean focus on history as driving a wedge between Seoul and Tokyo and working to China's benefit within the region. A single-minded focus on abductees in Tokyo divides it from Seoul as the two governments attempt to devise a unified policy to deal with Pyongyang. Close consultation and collaboration between Seoul, Tokyo, and Washington when dealing with North Korea will be the foundation of effective trilateralism. Pyon argued that the readiness of Japan's Self-Defense Forces (SDF) to take on new roles in the region provides Korea with one opportunity to strengthen cooperation with Japan and to build a more forward-looking bilateral relationship.

Enhanced cooperation with Tokyo should go hand in hand with a revitalized relationship with the U.S. Pyon sees the KORUS trade deal as an integral step forward that will provide new stability to U.S.-ROK relations and help Seoul counterbalance the invigorated U.S.-Japan alliance. Pyon believes that closer relations between Washington and Seoul can help keep Tokyo on the right track, too. He also notes that a failure by the ROK to develop stronger ties with the U.S. and Japan could leave South Korea isolated if those two countries manage to normalize ties with Pyongyang.

The key question for Seoul is the priority it puts on relations with North Korea. At what point will the ROK government demand action from Pyongyang, especially when it comes to the North's pledge to give up its nuclear weapons and programs? Americans and Japanese fear that the threat of instability will deter Seoul from taking a hard-line position. One South Korean insisted, however, that Seoul has to stick to its demand for denuclearization if it is to realize the long-held hope for a unified Korean Peninsula. "Reunification is not possible with nuclear weapons."

All participants agreed that North-South engagement will continue, no matter who wins the 2007 ROK presidential election. That policy predated the Kim Dae-jung administration, even though many people believe that "Sunshine" was unprecedented. A South Korean participant insisted that the problem is not the "Sunshine" policy – or its newest formulation, "the policy of peace and prosperity" – but how it is implemented. Reciprocity is the key to its success, he argued.

Lurking in the background of this debate is the little-understood notion of South Korea (and sometimes a unified Korea) as a "balancer" in Northeast Asia. No one could fully describe what this role encompassed or how it would be realized. After one confusing exchange, one participant proposed the obvious: "if no one understands what this means, then perhaps the concept is wrong." The best explanation came from a South Korean speaker who argued that his country wants to maximize its leverage and maneuverability; for him, though, the starting point is always the U.S.-ROK alliance, which affords his government the strongest position.

As should be clear from the initial discussion of domestic politics, Japan's strategic vision is a work in progress. Koji Murata of Doshisha University explained that Japanese insecurity is mounting as a result of developments in North Korea and the

ongoing modernization of China's military. "Post Cold War Japan faces a direct regional threat."

In response, the government is modernizing the security bureaucracy: the Japan Defense Agency has been elevated to the Ministry of Defense, legislation is in place to create a Japan National Security Council, and a Joint Staff Office has been created. Prime Minister Abe aims to revise the constitution; he seeks a review of the right of collective self defense and wants Japan to be free to join international security operations, not just peacekeeping or reconstruction efforts as is currently the case. Murata – and others – believes that the government can't merely expand the scope of permissible actions through constitutional reinterpretation as in the past. Reinterpretation is more efficient, but it risks undermining the legitimacy of the constitution itself.

Murata is also skeptical about the growing emphasis on values-based diplomacy. He fears that Japanese decision makers don't understand the potential consequences of such a strategy. The controversy surrounding Abe's remarks concerning comfort women and the strains they introduced into Tokyo's relations with Washington are proof that this diplomacy can hurt Japan as well as help it.

Ryo Sahashi, our Japanese Young Leader, agreed that changes occurring in Japan are primarily a response to the international situation and are not merely expressions of nationalism. He still decried the growing role such sentiments play in Northeast Asia, however, arguing that the dispute over Yasukuni Shrine visits should not be at the center of Japan's relations with any country. Moreover, he predicted that territorial disputes won't assume that role either as there is no domestic support for such hard-nosed diplomacy in Japan.

For him, the big change in Japanese security policy is shrinking support for the alliance with the U.S. He blames declining U.S. soft power and the absence of a real external threat to "glue" the allies together. He worries that a focus on "shared values" won't substitute for a real threat. Such language isolates China, a risky strategy for the Japanese public, and won't change the hearts and minds of Okinawans, who see themselves as proof that talk about "values" is mere rhetoric.

For many participants, Japan's heightened sense of threat was perplexing. North Korea's missile firings and nuclear test may have focused concern, but as one U.S. participant reminded the group, the nature of that threat is very similar to that of the Cold War. More to the point, North Korea does not have the retaliatory capability that undermines the credibility of the U.S. nuclear umbrella. Shifting focus, a Korean bluntly asked how China threatens Japan. The answer was nuanced: China is a "potential" threat, explained one Japanese speaker, both militarily and as an environmental and social and economic threat. But it was unclear from our discussion how the changes occurring in Tokyo respond to threats in the region.

Several Japanese criticized the processes underway in Tokyo. The new Ministry of Defense is squaring off against the Foreign Ministry during bureaucratic battles, but it has no additional resources to use despite rising demands on Japanese forces and planners. And more than half the military's funds continue to go to the Ground Self

Defense Forces even though most new threats require a maritime response. This bureaucratic inertia must be overcome. Several Americans argued that Japanese strategists deserve more credit than they get, pointing to documents like the Araki report as proof of high-quality Japanese strategic thinking.

Japan's readiness to overlook South Korea – “Seoul passing” in the words of one U.S. participant – is perplexing. Tokyo has reached out to Australia and India in its strategic discussions, but it has ignored the ROK. A Young Leader called for closer ties between the two countries, noting that a stronger relationship between Seoul and Tokyo would strengthen deterrence on the Korean Peninsula. More seasoned veterans of this dialogue noted that there were strong Korea-Japan ties among security analysts and officials during the late 1990s, but the momentum driving that relationship has been lost. It is essential to rediscover it.

This discussion brought the focus back to the question of values. There was implicit agreement – which serves as the foundation for this conference – that basic values shared by Japan and South Korea provide the foundation for a strong relationship. Yet, a number of participants wondered about Japan's commitment to those values, and those doubts were intensified by the comfort women controversy. Several Japanese argued that the key point isn't Japan's embrace of these values, but the role they should play in its diplomacy. They were uncomfortable putting values at the center of its foreign policy, arguing that such a strategy appears intended to isolate China, a decision that troubled many people in the room.

The problem, as Balbina Hwang of the State Department (but speaking in her private capacity) underscored in her comments, is the uncertainty surrounding the region. All governments face a dynamic and fluid security environment and it is unclear where current changes are leading or what shocks the future holds. Worse, there is a “status quo bias” that sees all change as problematic and potentially destabilizing. The result is resistance to most change and policy that tends to lag reality; security planners are forever playing catch up.

As a starting point, virtually all U.S. security planners agree that the U.S. should be present in Asia and acting as a leader within the region. The immediate question is how to accomplish the second objective as East Asia becomes increasingly integrated and there are questions about the utility of “Cold War” security structures, such as U.S. alliances. For Hwang, the U.S. should reinforce its alliances, not replace them. They play a key role in the region, as in the past, but they should not dominate regional dynamics. This process of adaptation is evident in the KORUS agreement, which should expand the U.S.-ROK relationship into new dimensions. She suggested that Washington and its allies aim to embed their alliances in a regional security mechanism; this would allow the U.S. to maintain its influence and special relationships without turning them into a source of tension.

Keeping those alliances is difficult, especially when nations have radically different perceptions of regional threats – North Korea, in particular. Hwang suggested that a more regional approach could shift thinking from a zero-sum perspective to one that focuses on relative gains. That might help overcome resistance to change and

diminish resistance to U.S. alliances. She cautioned, however, that while a more regional approach makes sense, it would not by itself take the sting out of national identity issues that inhibit cooperation in Northeast Asia.

Kevin Shepard, a U.S. Young Leader, suggested that the Six-Party Talks might serve as the foundation of a regional security framework. China's involvement in and commitment to that process demonstrates Beijing's readiness to work within such a framework. An ongoing security forum would also facilitate better understanding of our partners' – allies and other participating nations – views of security concerns and make cooperation easier. Shepard warned that the U.S. has to be prepared for a reduction in its military footprint in Northeast Asia. Such a change would reflect the enhanced capabilities of allies within the region (and an ability to shoulder new responsibilities) as well as new doctrines and missions for U.S. forces. This should not be seen as a diminution of its commitment to ensuring regional security nor as a weakening of its extended nuclear deterrent. But the likelihood of such a change requires Washington to plan for this eventuality and ensure that it is not misunderstood by allies or potential adversaries. Finally, he also suggested that security planners think more about the impact of more free trade agreements in Northeast Asia and what will happen if and when Japan, South Korea, and China conclude such pacts among themselves.

The tensions inherent in “forward-leaning” thinking were plain in our discussions. One U.S. participant noted that the only constant over the last 20 years in East Asia has been the U.S. military presence and its alliances; it is dangerous, he argued, to tamper with a security structure that has served the U.S. and the region so well. Another American countered that the re-evaluation process is already underway with the debates over the transfer of operational command during wartime in South Korea and calls for “issue-oriented” coalitions of the willing. At any rate, the U.S. has to consider how important a physical presence is. Do alliances in Northeast Asia require a U.S. troop presence to be effective? One great unknown is whether the U.S.-ROK alliance will survive Korean reunification, and if so, in what form?

A repeated refrain was the need for the U.S. to think more expansively about how it engages Asia. This message is implicit in the discussion of new regional security mechanisms as well as the call for more economic pacts like the KORUS. One American noted that the U.S.-ROK agreement is intended to send a message to Japan and encourage it to embrace more aggressive economic engagement with the U.S. and other Asian economies.

At a minimum, the U.S. must better understand the thinking of allies, partners, and even potential adversaries. As a South Korean reminded the group, Northeast Asia is fertile ground for security dilemmas. To avoid them, nations must identify shared concerns and devise cooperative approaches to deal with them. There was near unanimity that shared threat perceptions would no longer suffice as the sole basis for security relationships.

Economic Dimensions of Trilateral Relations

Given the call for deepening and broadening the various relationships, it was appropriate that our second day commenced with an exploration of the economic dimension of trilateral relations, and the implications of the KORUS. Scott Rembrandt of the Korea Economic Institute deflated the rhetoric surrounding the deal, dismissing the claim that it was “the future of the alliance.” KORUS is significant. It is the U.S.’s largest free trade agreement after NAFTA and could grow a \$78 billion two-way trade relationship another \$20 billion. But that sum is still less than the U.S. trade deficit with Japan and less than two months of U.S. trade with China.

The trade pact is largely political. It is designed to solidify the legacy of Presidents Roh and Bush and demonstrates that this relationship is adapting to new circumstances. It shows Korea is a pathbreaker in relations with the U.S.; Koreans take pride in having concluded a deal with Washington before Tokyo, and did so as an equal at the negotiating table. Strategically, it provides a counterweight to growing economic ties between China and South Korea, makes Korean products more competitive in the U.S. relative to those from Japan, and can help turn Korea into an economic hub in Asia. Korean economic planners understand this means creating a more favorable environment for foreign investment, and KORUS aims to do just that. Currently, the ROK economy is five times the size of that of Hong Kong, but Hong Kong has five times the foreign direct investment; 21 multinational companies have headquarters in Korea, while Hong Kong has 1,200.

When we met, details of the agreement had not been released. But the dust had settled and several key points were visible. Rice, for example, an extremely contentious issue, had been taken off the table. The fight over the labeling of products from the Kaesong Industrial Zone has also been put off. U.S. agriculture is a big winner, with beef exporters ready to tap a \$1 billion market as a 40 percent tariff is phased out over 15 years. U.S. financial service providers also stand to profit. Korean automakers and high-tech goods manufacturers will see their markets grow substantially as U.S. tariffs are reduced or eliminated.

The big question is whether the deal will pass both legislatures. Rembrandt thinks a lot hangs on the beef issue; if health concerns are favorably resolved, the deal will win a key supporter in Sen. Max Baucus of Montana. Rep. Charles Rangel, an influential player in the House is likely to back the bill as well. Rembrandt was far less sure about how the deal will play in Korea.

Japan is the big loser in KORUS. Washington’s readiness to cut a deal with Seoul and not Tokyo sends a clear message. And with the U.S. president’s fast track negotiating authority set to expire in the summer of 2007, there is little chance that Japan will get the chance to negotiate an FTA with the U.S. any time soon. The ROK is also preparing to start FTA negotiations with China and the European Union. With little progress in Korea-Japan FTA negotiations – stalled after a year – it appears that Tokyo could miss out.

The benefits of the trade pact for the ROK are clear, reports Jeon Jong Kyun of Kyung Hee University. It would boost employment 3.1 percent, prop up faltering foreign investment, and provide a much-needed push to eliminate remaining impediments to structural reform. The U.S. will reap some of those gains, but it will also benefit in other important ways. Most significantly, it will deepen U.S. economic integration with a key

Asian economy and provide trans-Pacific balance in the “noodle bowl” of trade deals in the making in Asia.

Unfortunately, Jeon also believes that the KORUS is likely to spawn more bilateral deals in response to it. Governments are playing catch up: after China proposed a FTA with ASEAN, Japan and the ROK developed their own plans for deals with Southeast Asia. But spreading bilateral and regional trade deals are a suboptimal solution to trade barriers. Different rules and procedures create confusion and inefficiency among producers and firms. Politics rather than economics dictates business decisions. Ultimately, the various trade deals have to be reconciled in a single multilateral regime. That will require political leadership, but no government has the will or the credibility to make that happen.

Jeon is worried by the growing U.S. current account imbalance, suggesting that higher investment in East Asia would help reduce pressure on the dollar and induce depreciation against East Asia currencies. There is a need for some foreign exchange coordination mechanism; no such device currently exists. Realignment is inevitable, however, as a consumer market develops in East Asia. That will diminish the need for the U.S. to provide the market of final resort and has profound implications for global currency balances and U.S. influence in the region.

The invisible presence in the room as the U.S. and the ROK concluded their trade deal is Japan. As was made clear, Seoul was motivated to make the deal by the prospect of gaining an advantage – both economic and political – over Japan. Similarly, most Americans believe that KORUS is intended to serve as a wake-up call for Tokyo, too.

But Yoichi Kato of the Asahi Shimbun worried that Japan isn’t prepared to make the tough political decisions that a trade deal requires. The stakes are too high and the payoff too low to justify taking on the politically entrenched agriculture lobby. Tokyo still looks to the U.S. to supply the political push for a trade deal. Absent that initiative, Japan will continue to hesitate. He also noted that the Japanese government anticipates the extension of fast track authority. That would renew hope for a global trade deal at Doha – by lifting constraints on U.S. negotiators – and, not-so-coincidentally, lift pressure on Japan to lead either globally or in bilateral talks.

All regional governments look at trade deals as strategic, not just economic. The U.S. push to broaden its relationship with South Korea is also intended, argued Kato, to balance China’s growing influence on the Peninsula and throughout the region. Since the primary vehicle for this is its booming economy, the U.S. is attempting to level the playing field. Kato claimed that Chinese officials believe Seoul should have struck a deal with China first, before turning to the U.S: the Chinese and Korean economies are complimentary and therefore such a deal makes more economic sense. China’s readiness to open its doors to agricultural products from its neighbors and other countries in the region poses a special challenge to Japan, which as, noted, is unlikely to make similar gestures.

It is assumed that trade deals have strategic significance. Do they? Do they actually provide leverage to the larger economy? Americans and some Koreans worry

that growing economic interdependence between Korea and China increases Beijing's influence on the Korean Peninsula; Japanese worry that deepening economic integration with China is detrimental to their national security. Apart from a sense of unease, there is little indication of how this damage would occur. Several participants suggested that the psychological dimension – this unease – is enough. An American countered that the U.S. readiness to proceed with such deals shows its commitment to ongoing engagement with Asia, and that psychological boost is just as important.

Another U.S. participant agreed on the importance of these intangibles, but looked at the issue from a different perspective. For him, the real concern is whether politicians in the U.S. and the ROK are prepared to make opposition to KORUS a political platform: a failure of either legislature to pass the pact would send an unmistakable signal about the value it puts on a deeper, broader relationship. (It was noted with some relief that President Roh's approval ratings have increased since the deal was announced.) Japan's trade negotiations send a similar message: Japan isn't prepared to lead on this issue. Tokyo isn't serious about trade reform and its first priority is protecting domestic interests.

Leadership is important. As Tokyo prevaricates, Beijing is stepping up. It has reached out to neighbors to moderate the impact of its galloping growth on their economies. Some economists warn, however, that China's free trade agreements are "low quality" and poor substitutes for agreements pushed by the U.S. or a multilateral deal. But the tension between economic ideals and political preferences is likely to be resolved in favor of the latter, and China stands to benefit from the perception that it is looking out for its partners.

Several speakers cautioned that China's growth, while impressive, should not be taken for granted. The country has averaged 9 percent growth for more than a decade; that is an impressive record and one that becomes increasingly difficult to sustain over time. Moreover, even if all goes according to plan, China's economy in two decades will be \$4 trillion, only as large as the one Japan has today; and Japan's GDP per capita will dwarf that of China for decades after that.

Adapting Alliances to New Realities

There is no doubting that economic relations among the three countries continue to expand and the East Asian economies are increasingly intertwined. But several speakers reminded the group that economic interdependence is no substitute for political action. One U.S. speaker recalled that the U.S. was Japan's biggest trading partner in 1940. The fourth session turned to ways to adapt the alliances to new realities and ensure the trilateral cooperation that all participants agreed is needed.

The first step for Kim Woosang of Yonsei University is ensuring that the U.S.-ROK alliance is sturdy. The alliance has been shaken in the last few years: the two countries have different perceptions of regional threats, changing views of their relative capabilities, and the alliance has been politicized in both capitals. Nonetheless, Kim is confident it will recover. He takes heart from recent developments. He applauded U.S. public diplomacy in South Korea and the closing of the gap between Washington and Seoul in dealing with Pyongyang. He credits the U.S. readiness to reach agreement on

Feb. 13, 2007 and changing South Korean perceptions of the North Korean threat – courtesy of the October nuclear test – for the shift. He cautioned the U.S. about proceeding too quickly with the transfer of operational command to the ROK; he suggested that implementation be frozen. Kim believes that a change in the Seoul government in 2008 will facilitate cooperation between the ROK and the U.S. He also warned that too much emphasis by Washington on relations with Japan could push the ROK closer to China. He called for more balance between the two alliances and more attention to Korea among U.S. security planners.

Kim agreed that Korea and Japan share concerns and should be working more closely together. Both are relatively small countries surrounded by larger, major powers. Similar strategic circumstances should push the two governments to cooperate on security and other issues. But he warned against proceeding too quickly with attempts to coordinate the U.S.-ROK and U.S.-Japan alliances: while the three countries share values and interests, “it’s not a good idea if it scares China.”

That question goes to the heart of the matter: how important are Chinese concerns about trilateral cooperation? Should Beijing be allowed to block efforts among the three countries to work together? Sheila Smith, a senior fellow at the East West Center, put those questions another way: Do the three societies share perceptions of new realities in the region? Do they have the same priorities and evaluate threats the same way? Failure to see the region through the same lens will make cooperation hard, if not impossible.

As Smith explained, the alliances are in the midst of significant transformations that are focused on military force posture and the reassessment of strategic goals; both are influenced by new capabilities and technologies. Ultimately, there will be fewer U.S. forces in the region and a different profile for those that remain. The key question is whether the force posture changes are temporary stopping points or final results. Those decisions will reflect political and security considerations; consultations are needed to make sure all three governments are in sync. A strategic dialogue would be helpful, and Smith admonished all three governments to stay focused on how their alliance transformations would affect third parties.

That collaboration is increasingly difficult as relations between the ROK and Japan deteriorate. Government to government engagement continues, but the atmosphere has been poisoned; in both capitals there is “greater attention to domestic political agendas than to the need for regional stability.” Absent positive direction from the top leadership in both countries, the bilateral relationship will remain fragile and subject to reversals. Real cooperation is impossible in this environment.

Smith called on the three countries to think beyond bilateralism; they should embrace multilateral cooperation, while remaining conscious of the domestic political impact of their decisions. The three governments should “develop and sustain a policy agenda that will prove the value of alliances within these societies, and avoid the perception that these half-century old relationships are now a hindrance to contemporary aims of South Korean, Japanese, or American foreign policy.” At the same time, Smith, like Kim, cautioned against trilateralism that might look threatening to China and would have “unhelpful consequences.” Fortunately, the proliferation of multilateral forums

provides growing opportunities for coordination and complementary behavior. The three countries should focus on building regional relationships and frameworks that strengthen habits of cooperation with China. Smith was optimistic about China's embrace of multilateralism, and applauded its efforts in the Six-Party Talks.

Multilateralism is also valuable in that it offers "the antidote to reactive nationalisms." There are profound changes in all societies of Northeast Asia and wariness in all these countries – including the U.S. Multilateralism can help mitigate the mistrust by assuaging concerns about other countries' intentions. But, as Smith reminded us, success depends on multilateralism actually solving problems. "Northeast Asia's multilateralism must be shown to be the optimal means to an end."

Yasuya Sakata of Kanda University of International Studies sees reasons for optimism. She concedes that the two alliances are perceived to be drifting apart, but transformation creates opportunities for more symmetry. She sees commonalities flowing from attempts to give U.S. forces more "strategic flexibility," the orientation of both alliances toward regional and global concerns, an increased role for both the Japanese and ROK militaries within their respective alliances, upgraded strategic dialogue mechanisms, and more normalized military cooperation mechanisms.

The three governments should build upon these trends and institute trilateral and Japan-ROK bilateral defense dialogues; reinvigorate trilateral coordination in regard to North Korea; promote trilateral security cooperation and dialogues in military operations other than war; promote trilateral cooperation in the Asia-Pacific context; enhance bilateral cooperation that aims toward a Japan-ROK declaration like the Japan-Australia declaration; and enhance cooperation with NATO and UN peace and security operations.

Realizing these goals won't be easy. As was evident during discussions, differing perceptions of the North Korean threat and how to deal with China create formidable obstacles to cooperation. South Koreans' profound mistrust of Japanese intentions is an equally powerful hindrance to trilateralism. Sakata argued that concern is matched by uncertainty in Japan and the U.S. about Seoul's strategic intentions.

Most significant, Sakata believes both Japan and the ROK should abandon bean counting that focuses on troop numbers and base size to alliance thinking that uses contributions to common goals as its measure. A shift in thinking would demonstrate a new maturity in both capitals and an entirely new way of conceptualizing alliance responsibilities.

Several U.S. participants cautioned against exaggerating the decline of the U.S.-ROK alliance. (A Korean responded that he often hears about "the death of the alliance" from U.S. visitors and when in the U.S.) The relationship has weathered difficulties before and is moving forward today. The two countries are working on a core vision of the alliance and the changes underway are likely to bring the U.S.-ROK and U.S.-Japan alliances more closely aligned. They brushed off criticism that the U.S. was insensitive to domestic politics, responding that Washington sometimes even overreacts to them. They cautioned that there is a limit to how far governments should accommodate even their allies: they should never sacrifice their national interests.

There were divisions among participants about the value of Japan-ROK cooperation. Constitutional restraints that inhibit Tokyo from forging an alliance with Seoul limit how far the two countries could go – and limit Beijing’s concerns. In fact, however, the real problem appears to be a lack of interest in both capitals. Add concern about each other’s intentions and closer coordination is more difficult – and more necessary.

Several speakers worried about sending the wrong signal to China. A South Korean confessed that his country is a middle power that doesn’t have the luxury of admitting it is threatened by China; it has to be sensitive to how great powers think and act. Japan, in contrast, doesn’t. In fact, most Japanese were not prepared to disregard Chinese sensitivities. An American participant countered that everyone thinks about a potential Chinese threat but it appears that the closer a country is to China, the less likely it is to admit it. He suggested that countries distinguish between doing things that unnecessarily antagonize China and things that “might” antagonize China. In other words, be sensitive to Chinese concerns but don’t give Beijing a veto.

If regional governments are watching Chinese reactions to developments, several ROK participants reminded that group that U.S. behavior is subject to equal scrutiny. Korean participants feel that Japan is Washington’s favorite partner and there is a widespread perception of unequal treatment. Several Koreans pleaded for more balance in U.S. policy; one even suggested that the ROK should be the preferred partner. While the U.S. insists that it is scrupulously evenhanded, and that differences in policies reflect different circumstances for each alliance, South Korean perceptions are another matter. A Korean participant noted that U.S. silence on key issues – how Japanese politicians deal with “the history issue,” and prime ministerial visits to Yasukuni Shrine – is seen as taking one side over another. “Doing nothing is a statement.” At the same time, despite the discomfort and unease, Korean participants agreed that “Alliance with the U.S. is the best way for the ROK to be able to maneuver and have regional influence.”

The Six-Party Talks is an obvious forum for cooperation. As one speaker reminded the group, those negotiations are about far more than just the outcome of the nuclear discussions. They could provide the skeleton of a regional security mechanism. Inevitably there will be discussion of U.S. alliances and forces on the Korean Peninsula and Washington, Seoul, and Tokyo should be working on common positions on this delicate subject.

But, as participants from each of the countries noted, devising a cooperative approach requires each government to understand its national interests and forge a strategy to realize them. The discussion over the two days of our meeting suggested that neither Seoul nor Tokyo has articulated a coherent national security strategy. Absent that framework, it is difficult to work with allies and partners. For its part the United States does have a clearly circulated, published National Security Strategy. The problem here is in its implementation and in perceptions that often trump stated policies.

Building Blocks for Trilateral Relations

Our final session attempted to provide a broader framework for the three countries to work together. Yuji Uesugi of Hiroshima University suggested that Japan begin by using the Self-Defense Forces (SDF) to work with the U.S. on global security concerns and to contribute to international peace cooperation activities. Uesugi argued that the SDF experience in peacebuilding and post-conflict reconstruction in Iraq and Afghanistan is a useful starting point. The SDF can also help respond to international terrorism and international disaster relief operations.

Japan should be preparing for bilateral and trilateral cooperative efforts. Tokyo and Seoul should seize chances to have their militaries work side-by-side in post-conflict reconstruction efforts. While the situation in Iraq precludes collaboration there, Afghanistan might provide an opportunity. The two countries have cooperated in disaster relief in Pakistan and should be prepared to do the same when there is another calamity in Southeast Asia. Yet another focus would be planning for post-unification Korea.

Peter Beck of the International Crisis Group complained that there are currently more stumbling blocks than building blocks in trilateral relations. Politics appears to be the biggest problem; he believes the three countries should work around current leaders until new ones take office. The tensions between the ROK and Japan are palpable. The territorial dispute is problematic and the history issue is “a chronic thorn in the side” of that relationship. Beck explained that Japan has done the seemingly impossible – it managed to unite the right and the left in ROK politics and the press. He warned that no ROK leader will be able to reach out to Tokyo as long as there is a perception that the Japanese leadership doesn’t understand – or care about – Korean concerns. Both governments need to lead their publics toward greater understanding and acceptance of the other. He urged the two countries to resuscitate their FTA negotiations. Beck also worries that programs to upgrade the SDF and Japan’s attempts to assume a higher security profile will create more tensions. Military exchanges and confidence building measures will become increasingly important as these efforts continue.

There is considerable debate about the appropriate U.S. role given these tensions. Washington doesn’t want to mediate between the two, perceiving – rightly – that this is a lose-lose proposition that can only alienate one side or the other. Unfortunately, the U.S. desire for neutrality is likely to be frustrated: as noted, not taking a stand is often perceived as taking a position.

Like others, Beck believes the six-party process can play a crucial role in helping the three governments coordinate. He argues that the eventual success of those negotiations will depend in no small measure on trilateral cooperation. Some form of the old TCOG (Trilateral Coordination and Oversight Group) process is needed. Beck also suggested creating an East Asia Peace Institute to ensure a sustained track-two dialogue among regional governments; Honolulu, and the East West Center, would make the best home.

Hyun In-taek of Korea University is a lot more optimistic about prospects for trilateral relations. Why? The three countries have for over a decade maintained robust ties and a common commitment to liberal democracy and market systems. The three have strong economic relationships and they continue to expand: the KORUS is proof of that.

There are over 100,000 ROK students in the U.S.; nearly 4 million people travel between the ROK and Japan annually.

Hyun outlined five principles for trilateral cooperation. First, he urged each government to embrace benevolent unilateralism: they should make sure that their actions have positive effects for other countries. Second, they should work toward effective and efficient bilateralism; that means they should see alliances as assets not burdens. In particular, he believes that the U.S.-ROK alliance will be needed in the post-unification era; North Korea isn't the two countries' only concern. Third, he favors open trilateralism that allows other countries to join them when interests and concerns permit. Fourth, there is no substitute for a nuclear-free Korean Peninsula. Fifth, he believes multilateralism will be most important when dealing with nontraditional security issues. As a final thought, he, like the other speakers, called for a combination of unilateral, bilateral, and multilateral efforts. A hybrid approach will ensure a rich menu of opportunities for the three countries to work together and facilitate the habits of cooperation that are essential to effective trilateralism.

There was agreement on the centrality of the Six-Party Talks to future cooperation among the three countries. One U.S. speaker noted that there is "zero chance" that they will end; the Chinese will remain committed to a process that puts Beijing at the heart of regional diplomacy and the other five countries are unable to come up with a real alternative. While there is some concern that Tokyo's focus on the fate of its abductees may isolate Japan within those negotiations, a U.S. participant insisted that Japan was not the odd man out at the talks. While the abductees are a security issue for Japan, it is important to remember that they are ultimately a human rights concern for all parties.

Successful trilateralism requires healthy bilateral relations. Most of our participants felt that U.S.-ROK relations had bottomed out and were likely to improve. While a conservative victory in the ROK presidential election in December 2007 won't cure all the relationship's ills, it will make possible a significant and sharp improvement. Nor would a progressive victory necessarily spell trouble for the alliances, especially if the alliance and the U.S., in general do not become embroiled in ROK presidential politics. There were few concerns about U.S.-Japan relations, although some rumblings have been heard in Tokyo after the U.S. agreed to move forward with North Korea in the Feb. 13 agreement and to release sequestered funds held at Banco Delta Asia. Some Japanese openly wonder about the U.S. commitment to a nuclear-free Korean Peninsula and the global nonproliferation regime – U.S. insistence on its fealty to complete denuclearization and nonproliferation notwithstanding.

The big question mark is the third pillar: relations between Tokyo and Seoul. Clear-sighted analysts agree that Japan and South Korea need each other: they are, reported one ROK participant, "each other's insurance." To improve relations, he continued, Seoul needs a new president; for its part, the Japanese leadership needs to change its behavior about history – and thereby change public perceptions in the two countries of each other. In the bluntest of terms, Japan needs a "zero tolerance" policy when it comes to historical revisionism. "History is a distraction," said one exasperated ROK Young Leader; it's a minor issue but consumes far too much time.

Several Americans cautioned against too pessimistic a view: officials have a way of working around their leaders. Even at the height of the most recent Tokdo/Takeshima dispute, the ROK Defense Ministry ignored the president's belligerent rhetoric and sent a delegation to trilateral meetings and coordination among the three continued. This appears to validate the advice offered by several speakers to focus on issue-by-issue progress toward multilateralism. Specialists and bureaucrats need to develop common ideas and then convince politicians to initiate policies to achieve them.

Relations among the three countries have had continuous ups and downs over the past decades. There are multiple sources of tension within the relationships, but common concerns and interests – and cooler heads – have invariably prevailed. It may be too much to expect relations among the three to chart a single, stable trajectory; that is likely to yield frustration as progress appears elusive and the partners find themselves fighting over the same issues time and time again. Nonetheless, the stakes are high. They justify the time and energy that the Pacific Forum CSIS, its partners, and other proponents of trilateral cooperation have invested over the years and demand continuing efforts in years to come.

*A New Chapter of U.S.-Korea Partnership?:
The Impacts of the FTA and the
Feb. 13 Agreement of the Six-Party Talks
By Dr. In-sul Mah*

I. The Recent Turn

- South Korea and the United States are on the threshold of a new relationship.
- On February 13, 2007, the Six-Party Talks achieved an agreement toward the denuclearization of North Korea. Since the agreement significant progress and signs of progress have been made between the U.S. and North Korea and between the U.S. and South Korea.
- On April 2: South Korea and the United States finished a 14-month negotiation of the FTA. The process of the FTA negotiation from President Roh's announcement of FTA with the U.S. as one of his government's strategic goals in January 2006 to the swift settlement of the negotiation had been far beyond expectations.
- These two events may improve the relationship between South Korea and the U.S. which had been aggravated under the governments of Roh Moo-hyun and George W. Bush.
- Some observers expect that these two events will open a new chapter of the U.S.-Korea partnership; the alliance improved by cooperative settlement of the North Korean nuclear issue and reinforced by economic interdependence.

II. U.S.-Korea FTA: Positive vs. Negative Views of the U.S.-Korea Relationship

- After a surprising announcement of the will to launch the FTA negotiation with the United States, President Roh and his staff have resolutely pursued its settlement.
- It was surprising and even preemptive in the sense that the FTA with U.S. did not seem to be compatible with the Roh government's liberal policy orientation.
- The U.S.-Korea FTA is expected to enhance competitiveness through competition, promote foreign and domestic investment, and secure East Asian markets.
- The U.S.-Korea FTA share strategic values. The two foremost values are to restore the alliance between the two nations which has been seriously challenged for the past decade and to promote peace on the Korean Peninsula.
- The U.S.-Korea FTA is expected to improve the U.S.-ROK alliance through increased economic interdependence. This U.S.-Korea military security alliance can be reinforced by the economic partnership and security.
- The Korean government fought to include products from the Gaesung industrial complex in the FTA formula, and the government won agreement on a "Committee on Outward Processing Zones on the Korean Peninsula." Increased economic transactions with North Korea through the Gaesung industrial complex is hoped to stabilize the North Korean economy and increase the interdependence between North and South Korea.

- Further development in Gaesung and other areas may push North Korea toward economic reforms and openness and may help North Korea integrate into the global economy.
- There are also strong negative responses and the resistance against the FTA. Pessimistic views come from both conservative and liberal groups.
- Conservatives support the basic framework of the FTA, but they are very cautious about the possible cash inflow to North Korea through Gaesung and other industrial areas. They worry about North Korean financing of the military build-up with this cash.
- Liberals vehemently resist the FTA due to the possible consequences in the agricultural sector, American dominance of the domestic market, the threat of more flexible labor market, and thus the widening gap of income distribution.
- KBS recently reported a survey about the U.S.-Korea FTA negotiation results. 51.2 percent of the respondents are “satisfied,” while 42.2 percent are “not satisfied.” Results are consistent across surveys. *MBC* reported 48.4 percent of “positive” response, 35.4 percent “negative,” and 13 percent of “don’t know,” and no response. *ChosunIlbo* and Korea Gallup survey found 58.5 percent and 30.6 percent for positive and negative respectively. 60.6 percent of the respondents checked “yes” for the National Assembly’s approval for the ratification of the FTA.
- To now President Roh has won political support from the Korean public. The popularity of President Roh sharply curved upward from 13.4 percent to 29.8 percent in just four months after the U.S.-Korea negotiation. The improvements in the Six-Party Talk might also have helped. Response to “President is not doing well” dropped from 80.1 percent in January, 2007 to 60.1 percent in April 3, a 20 percent margin.

III. Feb. 13 Agreement in the Six-Party Talks and after

- The 2.13 agreement brought a sudden thaw in tension between North Korea and the U.S.
- North Korea preemptively raised the disposal of highly enriched uranium (HEU) and suggested the diplomatic relationship with the U.S. in early March.
- N.K. also expressed willingness to lock the nuclear facilities through IAEA inspections.
- U.S. government responded positively to these changes in North Korea’s stance by revoking sanctions against BDA.
- The clause on the “Committee on Outward Processing Zones on the Korean Peninsula” in U.S.-Korea FTA, though still on the agenda, was a significant concession by the U.S.
- The South Korean government is still excluded from the U.S.-North Korea talks as an active participant.
- But the disparity between positions of the South Korean and the U.S. governments on North Korean nuclear issues seem to be decreased, and that would help reduce the frictions between them.
- However, this positive mood is not stable. It depends on whether North Korea will continue its cooperative stance and how long.

- Experiences tell us that North Korea will roll back to a defection strategy when it's demands are not fully satisfied.
- In the survey by Don-A Ilbo on the relationship between North Korea and the U.S. after five years, 43.6 percent of the respondents expect "improvement," and 36.8 percent of them foresee the continuing current situation. Respondent for "deterioration" was only 11.9 percent.

IV. Presidential Election: Prospect

- Predicting election results is always very difficult. It is more so for South Korean voters when we recall previous elections.
- Surveys had revealed very high fluctuation of popularity with maximum margins of about 20 percent in the presidential election in 2002.
- For the December election the popularity among leading candidates has been very stable for the past several months.
- Most recent statistics by Jung Ang Ilbo in April 12th show 41.3 percent for Lee Myoung Baak and 24.2 percent for Park Keun Hae, both of them are from the opposition Hannara Party.
- Sohn Hak Kyu, ex-governor of Gyunggi province and who recently defected from Hannara Party, got 5.2 percent.
- Unfortunately there are no candidates from the Yeollinwoori Party and any other parties that collect significant public support. Moreover, the Yeollinwoori Party's future is not clear yet, since that party is restructuring.
- According to the survey by Jung Ang Ilbo 45.6 percent of the respondents preferred the "next president from Hannara," and 25.1 percent, the "next president from the parties other than Hannara."
- The survey also reveals a possible change from the current configuration of pre-election competition.
- Respondents prefer "more reformative and liberal government" (54.4 percent) to "more stable and conservative government"(34.6 percent) than the current one. Only 6.3 percent of the respondents support the current government.
- Younger generations and blue-collar workers show greater preference for more reformative and liberal government. The statistics are 66.3 percent of the age cohorts of teens and 20s, 62.1 percent of 30s, and 65.6 percent of the blue-collar workers.
- 46.2 percent of the 50s and older group and 40.9 percent of the housewives tend to support more stable and conservative government.
- Eight months before the election in Korea is like eight years. It is too early to predict the final result.

V. Conclusion

- Though there are many variables and incidents that may challenge the U.S.-Korea partnership, its future under the next Korean government is expected to be more friendly.

- The management of the U.S.-Korea FTA for its final ratification and cooperation between the two governments for progress toward stability and peace on the Korean Peninsula will strengthen the alliance.
- Most of the current frontrunners and the possible candidates for the presidential election emphasize the importance of the U.S.-Korea relationship.

*Domestic Developments and their Implications for
U.S.-Japan-Korean Relations- comments
By Scott Snyder*

The return of divided government as a result of U.S. mid-term elections (and the role U.S. foreign policy in Iraq played as a factor in those elections) creates new constraints for, but has not fundamentally altered, U.S. foreign policy priorities. The executive-legislative battle over U.S. foreign policy (especially Iraq) further politicizes U.S. foreign policy and institutionalizes domestic divisions/contestation over foreign (Iraq) policy.

The Bush's administration past tendencies to take the Republican-led Congress for granted combine with relatively lax Congressional oversight to mark a dramatic change in tone in Washington's political landscape, since hearings can now be used both for oversight and political purposes; i.e., use of hearings in an attempt to shape the policy environment for election 2008. Domestic scandals over the firing of U.S. attorneys further weaken and distract the Bush administration.

The executive branch maintains the initiative and has the ability to implement its own foreign policy decisions despite Congressional opposition (i.e., "the surge" in Iraq).

A divided Congress has passed measures designed to curtail U.S. involvement in Iraq, but these measures have not had veto-proof majorities and thus have little prospect of being signed into law. In addition to managing internal divisions among Democrats over current policy, Democratic strategists debate whether congressional measures could result in co-management, and therefore co-responsibility, for the war, or whether partisan criticisms alone can feature Iraq as a key issue in the 2008 presidential election.

But in certain cases (North Korea, dialogue with Iran?), an administration that showed remarkable consistency on principles in its first six years has started to show pragmatism, if not expediency, to avoid selected political battles with Congress.

The 2008 presidential elections further politicize current approaches to foreign policy. The war in Iraq remains a sensitive and important issue in the Democratic primary; all declared Republican candidates are supporting the war. (It remains to be seen whether the sole anti-war Republican presidential candidate, Nebraska Sen. Chuck Hagel, will decide to run.) Sen. Biden's presidential bid has distracted from his leadership of the Senate Foreign Relations Committee, with few hearings being called thus far.

Americans are increasingly concerned with the need to protect the jobs of American workers, a domestic policy issue that has international ramifications. The Chicago Council on Global Affairs 2006 poll shows this as the number one policy concern of the U.S. public over counter-proliferation, anti-terrorism, or securing energy supplies. This survey result may help to explain Congressional sensitivities on trade and economic competitiveness issues with China and may shape Congressional and American public views of the recently negotiated KORUS FTA.

Although Americans expect to continue to play an active leading role in global affairs, they do not want the United States to play the role of global policeman. The Chicago Council poll shows that 2/3 of Americans believe the threat of terrorism has not been reduced by war, that the war in Iraq will not lead to the spread of democracy in the Middle East, that the war has worsened America's relations with the Muslim world, and the experience of the Iraq war should make nations more cautious about using military force to deal with rogue states.

Americans polled in this survey supported an enhanced multilateral capacity to protect human rights and to prevent nuclear proliferation, and generally expected the United States to continue to play a leading role in international affairs. The 2006 mid-term election reflected public desires for a more moderate U.S. foreign policy.

Iraq is virtually the only priority of Bush administration senior-level decision makers, with Iran and Afghanistan placing a distant second. Iraq has also become the most important issue in domestic politics through Democratic control of Congress and the Walter Reed scandal. The nonproliferation aspect of policy toward North Korea is the related Asian issue that has garnered the most attention.

Asia has primarily been viewed through the lens of Iraq and the war on terror, distorting the terms under which most Asians would prefer to interact with the administration. China has capitalized on the war on terror to improve relations, while Japan and South Korea have provided support. The Afghanistan/Iraq troop dispatch issue has worked to the benefit of Japan and the detriment of South Korea because Japan exceeded expectations while South Korea's debate robbed Seoul of credit. A quiet success – managed by senior professionals rather than top political-level actors – has been management of troop reconfiguration issues in Japan and South Korea.

The rise of China has not yet fully made itself felt as a political issue in the United States, although senior policy specialists in the Bush administration have quietly attempted to create mechanisms for managing this issue. The Senior Dialogue and Strategic Economic Dialogues are necessary adjustments in recognition of China's expanded global role, but this adjustment also reveals the emergence of a serious policy division among American Asia specialists over the respective emphasis that should be given to management of relations with Japan and China, respectively. How this division will play as part of the American political debate over China's rise remains to be seen. American lack of senior-level attention to Asia is felt most keenly in the absence of serious thinking about U.S. strategic interests as they relate to Asian regionalism.

Given the political focus on Iraq and the global war on terror, Asian issues remain a secondary (or tertiary) foreign policy concern on the U.S. national agenda. China currency issues, KORUS FTA, and a Congressional resolution regarding "comfort women" during World War II have received attention in Congress, but few other policy issues regarding Asia are being influenced by American domestic developments.

Congressional sensitivity to U.S.-China economic issues has finally catalyzed administration action to bring a China-related trade dispute over paper to the WTO.

Congressional pique over China's refusal to reevaluate its currency has thus far been stayed by U.S. Treasury Secretary Paulson's Senior Economic Dialogue. Despite rising Congressional frustrations over the trade deficit with China (over \$200 billion), China's refusal to adopt a floating currency, intellectual property rights issues, and concern over other unfair trade practices, the administration has generally resisted emotionally driven calls for action and has maintained a free hand in the trade area. To the extent that Americans perceive China's expanded economic influence as derived from unfair trade, there could be greater support for retaliatory measures.

The Bush administration's change in approach on the Six-Party Talks has received support from Congressional leaders who had been calling for such an adjustment. Congressman Lantos may visit North Korea later this spring. The shift in policy has surfaced deep divisions among Bush Asia policy hands that extend not only to tactics over North Korea but also philosophies over how to deal with China and implications for Japan.

U.S. military reconfiguration in Japan and South Korea remains challenging, but this set of issues will be left to the specialists and is receiving relatively little attention from the U.S. public. U.S. public support for a troop presence in South Korea has remained consistent according to the Chicago Council on Global Affairs poll.

The KORUS FTA has been concluded at a time of increasing Congressional skepticism over fairness of trade and the benefits foreign countries have gained due to lower environmental restrictions and more exploitative labor policies. Although Korean standards are high in these areas, these issues, along with continued issue-specific concerns among Democrats representing the beef and automotive sectors, represent potential sticking points in gaining Congressional support.

House Resolution 121 requesting that the government of Japan "acknowledge, apologize, and accept historical responsibility in a clear and unequivocal manner" for the treatment of "comfort women" forced to serve in brothels used by the Japanese military during World War II have gained surprising attention, much of it compounded by vague or ambiguous statements about the resolution in the Japanese Diet. After first appearing to deny the veracity of stories about the comfort women, Prime Minister Abe reaffirmed the 1993 Kono Statement acknowledging the suffering of the comfort women and apologizing for their suffering, but not offering government compensation or an official apology from the government of Japan. The new development has been the impact of Korean- and Chinese-American lobbying in support of the resolution, which resulted in Rep. Dana Rohrabacher's decision to join as a co-sponsor. Rohrabacher has been a strong supporter of the Japanese government's position on the North Korean abduction issue.

Korea's Security Vision and Strategy
By Kim Tae-hyo

Korea in Changing Northeast Asia

-Realism vs. eclectic approach

Continued hegemonic stability or emerging power transition? Is the distribution of power still the most powerful independent variable that explains the relationship between major powers? How important are the following arguments in explaining U.S.-PRC relations?: obsolescence of major wars in the age of balance of terror, international norms of mutual peace and prosperity.

-Weak environment for CBMs

All major countries in Northeast Asia are entrapped by security dilemma. Conventional arms control and efforts to promote WMD nonproliferation are not functioning well. Because of a difference in values and national identity, lingering historical animosity, and growing nationalism, mutual trust in the region is shallow.

-Diversifying threats

Security threats are becoming more widespread, but views are diverse and responsibility is unevenly shared. The growing competition for supplies of energy, progressing environmental degradation, liability for North Korea's uncertain future, and endangered human rights of minority ethnics and refugees are examples of threats to human security in Northeast Asia.

North Korean Problem: Much More than a Nuclear Issue

-Before 2/13 Agreement

The Sunshine policy has produced conflicting views about the DPRK between Korea and the United States because the ROK's unconditional economic support for the North was believed to enable the DPRK to speed up its nuclear development and eventually conduct the nuclear test. The second North Korean nuclear crisis has been handled by the Six-Party Talks framework, but U.S. attention was diffused by the situation in Middle East and North Korea.

-After 2/13 Agreement

The U.S. decision to release the DPRK's BDA accounts seeks to solve the nuclear problem at the cost of principles. American willingness to discuss a new U.S.-DPRK relation opened a window of opportunity for Pyongyang but also posed a dilemma for its regime security. America's sudden change to a proactive stance confused South Korean conservatives and pleased the progressives. The ROK government's zeal for expanding inter-Korean economic relations is encouraged by the current situation.

-”Only if the nuclear problem is solved”

The North Korean nuclear issue is only one of many important military issues concerning North Korea. The nuclear status is everything for North Korea since the North Korean government still believes that it is the clearest and most secure solution to sustain their regime. While firmly upholding the CVID as the most fundamental principle of North Korea policy, the ROK and Six-Party Talks members should continue diplomatic cooperation for any contingencies in and around the Korean Peninsula.

ROK-U.S. Alliance vs. Multilateralism

-What kind of balancer?

Roh Moo-hyun government’s policies of self-reliant defense and balancer in Northeast Asia caused misunderstanding and confusion among Korea, Japan, and the United States. The ROK’s constructive and mediating role in the region can operate only when its alliance with the United States is solid. These two allies should share key strategic interests and future design, including North Korean issues. GPR calls for adjustment only in defense posture, not in CFC and wartime Opcon.

-Means cannot override ends

If values are honored, difficult issues such as ‘rising China’ and ‘North Korean contingency’ become easier to handle. Whether through bilateral or multilateral means, promoting peace and prosperity should be the ultimate goals. As long as no country intends to sacrifice its existing alliance network for the sake of multilateralism, issue-based coalitions and cooperation should support the bilateral relations’ stabilizing roles. Nationalism and history issues can be explosive, but they cannot entirely replace the rationale for mutual cooperation in the market and democracy.

-From defender to promoter

Korean national security has sought to secure itself from foreign military threats. The Korean economy has grown by defending its export-oriented planned economy against neo-liberal pressure. Now, Korea should play a promoter’s role for international security and economic cooperation by actively engaging itself with global norms and standards. Overcoming the North Korean issues should be the process to accumulate Korea’s symbolic image of a peace-hub country in East Asia.

The ROK-U.S.-Japan Partnership in 2017

By Junbeom Pyon

The trilateral partnership in 2017 will look drastically different from that of today. The reasons vary. The leaderships in Seoul and Washington will be replaced by new administrations in the next two years. The LDP-Komeito alliance may be hurt in the upcoming July Upper House election and a leadership change in Japan may occur. Furthermore, the planned constitutional change in Seoul may result in eight consecutive years of one administration from 2008 to 2016. Whether Japan-U.S. friendly or China-friendly, an administration, once elected, is likely to maintain the same foreign policy for the next decade. Constitutional change in Japan will change the Japanese role in the trilateral partnership. The revision of Article 9 will result in an increased presence of Japanese Self-Defense Forces (SDF) in peacekeeping operations. Although welcome in Washington, this change will raise great concern in Seoul.

Exogenous factors also matter. The growing concern over China's reemergence in the region will draw the ROK and Japan closer together. But growing conservatism in Japan and uncertainties about how the new administration in Seoul will handle relations with Japan pose a great challenge to ROK-Japan relations, and thus the shape of the trilateral partnership. If ineffectively managed by the U.S., and the leadership in both countries, Seoul may attempt to diminish cooperation with Japan while strengthening ties with the U.S., thus relying on the U.S. to counterbalance China; or it will depart from the trilateral partnership and play the balance of power game by improving China-Korea relations while strengthening the U.S.-ROK alliance. Neither outcome is desirable for Korea. Neither outcome is desirable for the U.S. or Japan either. But if Japan continues to behave irresponsibly and if Washington's silence over the Japanese conservatives' call for changes in Japan continues, Korea will change its strategy.

Second, the U.S.-ROK Free Trade Agreement (KORUS) reached in early April, if ratified by both congresses, will strengthen the U.S.-ROK alliance. This will inevitably lead to the rebalancing of the U.S.-ROK and the U.S.-Japan alliances.

Third, changes in the U.S. approach to the nuclear crisis on the Korean Peninsula and Japan's continued focus on the abductees issue will trigger a split in the U.S.-Japan alliance. Although it won't cause an immediate or a visible damage to the alliance, policy- and decision- makers in Tokyo will reduce Japan's reliance on the U.S. and adopt a more independent foreign policy.

Fourth, the changing circumstances of the nuclear crisis combined with leadership changes in Washington and Seoul will produce great uncertainty about the security environment in Northeast Asia. More importantly, questions about Pyongyang's readiness to abide by the Feb. 13 agreement will produce even greater uncertainties in the region.

If the Feb. 13 agreement is carried out and the parties sign a permanent peace agreement, the Korean Peninsula will remain divided and interesting changes will occur: the U.S. and Japan will normalize relations with the DPRK; Pyongyang will play a unique role in America's hedging strategy against China; and the ROK's importance will

diminish in the long-run. But the partnership among the U.S., ROK, and Japan will remain strong as doubts over Pyongyang's intentions will remain in Washington and Tokyo.

If Pyongyang violates the agreement and refuses to shut down its nuclear facilities, the U.S. will readopt hawkish policies and the nuclear crisis will get worse. As Seoul will not be able to convince its people and the international community why it should continue to aid Pyongyang, the nullification of the Feb. 13 agreement will unite Washington, Seoul, and Tokyo against Pyongyang. But Tokyo's worries over Pyongyang's nuclear weapons will increase and nuclear debates in Japan will concern both Seoul and Washington.

Finally, the shift of U.S. priorities in global affairs and its preoccupation with the Middle East will demand that the three militaries cooperate and respond more effectively to any unwelcome outcomes in the region. This change in U.S. priorities will also require that the ROK and Japan take a more proactive burden-sharing role in the region and increase their military budgets and activities. Most important, U.S. priorities in the Middle East will require that Seoul and Tokyo increase government-to-government and military-to-military cooperation.

The most desirable outcome in the next decade is a strengthened trilateral partnership supported by a firm 'ROK-Japan' leg of the triangle. But achieving that depends on many indigenous and exogenous factors.

From a Korean perspective, the greatest concern is Japan's wavering position on historical issues. Although the Japanese public is tired of Korea's complaints, the Seoul government cannot convince its people to remain calm when Japan's political leaders, such as its prime minister, make statements that contradict Japan's past apologies. Korea's current handling of Abe's controversial statement on 'comfort women' suggests that Seoul is no longer as immature and ready to play the anti-Japan card. This is not to say that the future leaders in Korea will not use nationalism for domestic purposes. But it suggests that, at least for now, Japan has an opportunity to improve relations with the ROK and to restore itself as a responsible country in the region.

If Japan wishes to achieve the ideal outcome in the trilateral partnership, it must ensure that its leadership does not question historical truth. The Tokyo government must also work closely with Washington and communicate with Seoul to ensure that political leaders in Korea do not use the anti-Japan card for domestic purposes.

For the U.S., the key in turning the virtual ROK-Japan leg of the triangle into a real partnership is its careful management of ROK-Japan relations. While it is important to help Japan correct behavior that raises concerns in the region and in the international community, it is also important that Washington does not damage Japanese pride. U.S. intervention may be seen as a violation of Japanese sovereignty. That said, it is also important, however, to assure the ROK that the U.S. is not going to remain silent if Tokyo misbehaves. After all, Japanese leaders' visits to Yasukuni Shrine, Prime Minister Shinzo Abe's controversial statement on 'comfort women,' and Foreign Minister Taro Aso's "if (you have) blue eyes and blond hair, it's probably no good" statement should concern the U.S., the country that stopped Japanese imperialism in 1945, the most.

Domestic and External Aspects of Japan's National Strategies under Prime Minister

Abe Shinzo

By Murata Koji

Changes in Domestic Security Structure

For the last decade, Japanese public sensitivities on national security have been increased mainly because of North Korean military provocations and the rise of China. While Japan was protected by U.S. naval and air forces that were superior to the Soviet armed forces during the Cold War, Japan has been faced with more direct regional military threats after the end of the Cold War. Japan's situation in the post-Cold War era is similar to Western Europe during the Cold War era.

Under these circumstances, Prime Minister Abe has established a reputation of a politician with a strong will and a clear vision on national security affairs. After becoming prime minister, therefore, Abe has tried to reorganize Japan's national security structures. First, the Japan Defense Agency was upgraded to the Ministry of Defense last February. Also, the Joint Chiefs Council was reorganized to the Joint Staff Office for promoting integral operations of the Self-Defense Forces. Although these decisions had been made under the Koizumi Cabinet, Abe was, of course, very supportive for them.

Second, Prime Minister Abe is going to establish a Japanese National Security Council (NSC). The concept is still unclear, however. Abe's NSC is a NSC without the National Security Act. The creation of the Central Intelligence Agency (CIA) has not yet come about. It is also very likely that bureaucratic rivalry between the Ministry of Foreign Affairs and the now-upgraded Ministry of Defense will be accelerated under the new NSC system. Abe's design for reorganizing national security structure is a patchwork, not a comprehensive one, and motivated by a domestic political desire to establish his image as a decisive leader on national security affairs as his supporting rate is constantly decreased.

Third, Abe is eager to review the interpretation of the right of collective-self-defense. It has been already announced that there will be a study group on it and the bill on a National Voting System for revising the Constitution will soon be passed in the National Diet. It will take a long time to revise the Constitution, however, due to the domestic political situations, including the coming Upper House election and readjustments of policies between the Liberal Democratic Party (LDP) and Komeito after the election. Even if the right of self-defense is expanded by examining each critical case, the legitimacy of Japan's alliance policy will not be clearly established unless the interpretation is allowed to permit the right of collective self-defense. Furthermore, if the interpretation is revised, the motivation for revising Article 9 of the Constitution, whose political costs will be very high, will be decreased. In spite of Abe's efforts to establish his image as a decisive leader, substantial structural and legal reforms on Japan's national security might not be achieved in a near future.

External Changes in Japan's National Security Strategy

To distinguish himself from his strong predecessor, Koizumi Junichiro, Prime Minister Abe has tried to improve Japan's relationship with China. Since his visit to Beijing last October, the atmosphere between the two governments has greatly improved. The Chinese premier's recent visit to Japan was also successful. An improved Sino-Japanese relationship will be helpful for the U.S.-Japan relationship. Still, substance beyond the atmosphere of the Sino-Japanese relationship has not changed a lot. The two governments must reach substantial agreements on, for example, joint development of controversial gas fields, and environmental protection measures in the near future.

Aside from the improved Sino-Japanese relationship, the joint security declaration between Japan and Australia was a big hit for Abe's foreign policy. Japan must expand its network of security cooperation in the Asia-Pacific region, based on the accumulation of functional cooperation. By so doing, shared values will be also gradually increased.

As for the U.S.-Japan security relationship, which has been regarded as reaching a "golden era" under the Bush-Koizumi relationship, Japan now seems to feel the two fears of abandonment and entrapment at the same time. In order to reduce Japan's fear of abandonment, the two governments must further promote policy coordination over the Six-Party Talks, in which Japan might be isolated due to the abduction issues, on which Abe has great difficulties in compromising. In order to reduce Japan's fear of entrapment, Japan's possible and effective contributions in Iraq after the withdrawal of the Ground Self-Defense Forces must be made clear. Furthermore, in order to maintain the credibility of the alliance relationship, the realignments of U.S. forces in Japan must be implemented without any further delay.

After the realignment of U.S. forces in Japan and South Korea, policy coordination among the three governments is essential. Policy coordination over the Six-Party Talks must be also revitalized. North Korean stubbornness and improved Sino-Japanese relations as well as a change in power in South Korea next year will help. Japan, the U.S., and South Korea are required to increase sensitivity to others' domestic political situations.

In conclusion, Japan must promote substantial changes in national security structures and a comprehensive design for national strategy in accordance with domestic and external changes beyond the "golden era" of the U.S.-Japan alliance.

Outlook for U.S. Foreign Policy

By Kevin Shepard

Basic U.S. foreign policy has not wavered significantly since World War II. A series of historically significant events have shaped and reshaped strategies through which these policies have been pursued during and since the Cold War. The end of the Cold War and the growing influence of China, have challenged U.S. strategies just as much as new challenges, such as the development of nuclear programs by “rogue” states the growing role of non-state actors, not only in the post-9/11 war on terror, but as NGOs and MNCs with budgets larger than some states.

U.S. foreign policy has become less multilateral, but has not reverted to isolationism as was seen post-WWI. Calls today for a less unilateral approach to global security are seen by some as a call for isolationism – a step back from the proactive, interventionist policies of the current administration. Not only are such calls overdue, but the current administration has redefined isolationism: it has managed to isolate the U.S. in more than a few influential circles around the globe while still engaging in international politics.

U.S. foreign policy goals have consistently focused on the support for and spread of democratic and liberal ideals fostering free and representative governments supporting market economies. Cold War, post-Cold War, and post-9/11 eras have all redefined the parameters in which these goals are pursued and therefore demanded reinterpretations and revaluations of strategies. The recent election of a Democratic Congress is an indicator of yet another shift in the perception of the desired role of the U.S. in global politics, but not necessarily a change in U.S. foreign policy goals. In the current and near future administrations, fighting of non-state terrorism will remain a top priority. This will affect foreign policy aimed at East Asia, where it will blend with a number of important factors that are undergoing significant change and reshaping not only U.S. priorities and goals in the region, but the tools to pursue them.

In 10-20 years, how will U.S. foreign policy look? What will U.S. strategy reflect? It is safe to say that the ideals guiding U.S. foreign policy will not fade. But how will the environment in which the U.S. – both domestically and internationally – pursues these ideals change? The current administration has focused on the ‘War on Terror.’ However, troubling results in Afghanistan, situations in Iraq triggering thoughts of Vietnam, and no significant improvement in domestic security, combined with worsening relations with allies around the globe, growing mistrust in Bush politics from publics and governments overseas, and a loss of respect and cooperation, the Bush administration has recently softened some policies and appears more open to policies of engagement, even with states previously labeled as members of the ‘Axis of Evil.’ Regaining the trust of allies and the cooperation and willingness to negotiate from those states with which the U.S. had differences will be vital to continuing U.S. policies of expansion of and support for free markets, governments, and publics.

This future direction of a return to ‘soft’ diplomacy and policies of engagement will be especially important in East Asia. As China pursues breakneck economic growth, accompanied by growing investment in military modernization, Washington faces a new challenge from a ‘strategic competitor.’ China is offering South Korea and other partners of the U.S. a new choice – a strong regional hegemon and trade partner. In addition, China is taking full advantage of its unique partnership with North Korea to host Six-Party Talks on the North’s nuclear programs, and is pushing for the extension of this forum into a regional security forum.

While China is emerging as an alternative to the U.S. presence in the region, growing nationalism in both South Korea and Japan offer a glimpse at what may result from a weakened U.S. military presence in Asia. While South Korea is pushing for a reduction of U.S. forces and return of war-time operational control of ROK troops, USFK are pulling back from the DMZ and planning for a more supportive, intelligence/operations role in its military alliance with Seoul. While nationalism in Japan is currently playing into the hands of USFJ, with Washington encouraging the rearmament of Japanese defense forces and expanded roles for these forces in support of U.S. operations in other theaters, USFJ is stationed in Japan at the convenience of Tokyo, and calls for the expulsion, or at least reduction, of the U.S. military ‘footprint’ would not be surprising. While China will likely not encourage the withdrawal of U.S. forces from the region out of concern over the possibility of nationalist-propelled nuclear arms race, Beijing is still at odds with Washington over North Korea and Taiwan, and a diminished U.S. presence is in its best interest.

Much of what shapes diplomatic relations in North East Asia over the next 20 years will revolve around the emergence of China and how South Korea, Japan, and the United States respond. All three need to engage China both diplomatically and economically, while at the same time ensuring that national interests are not damaged by the sheer enormity of the Chinese presence.

While China’s development will monopolize the concerns of many U.S. policy makers, it is through strengthened relations with Japan and South Korea that Washington will answer the challenge of Beijing’s dominance. This will need to be carefully negotiated as growing democracy in both Japan and South Korea will pose difficulties to U.S. military planners. In order to successfully maintain U.S. interests in Asia while pursuing traditional foreign policy goals and protecting our domestic economic and security issues, our alliances with Asian neighbors must shift away from patron-client frameworks and toward mutually beneficial economic partnerships.

South Korea and Japan have a number of historical and modern-day issues that prevent closer relations between two neighbors that otherwise have many common interests; both governments pursue rectification for past wrongs only when the security environment allows for such. Their alliances with the United States will anchor their relationship in the next decade as both governments will be able to explain away moves toward reconciliation by claiming they need to have a comparatively better relationship with Washington. As both continue to write their own ticket in international diplomacy,

both are also reliant on their relationship with the U.S. and Washington would be best served to take advantage of this rivalry in order to maintain a presence in the region while downsizing its military footprint. By shifting to a more mutually engaging, 'soft' diplomatic approach to allies in the East, the U.S. can ensure its presence in Asia while boosting South Korean and Japanese diplomatic strength in an environment of relative safety and security.

Economic Dimensions of Trilateral Relations

By Scott Rembrandt

- As I speak, Ambassador Lee Tae-sik and Ambassador Sandy Vershbow were slated to speak in New Orleans, a city the ROK gave \$30 million to after Katrina, on the U.S. strategic and economic relationship with South Korea. But, due to the tragic events in Virginia Tech, Ambassador Lee had to return to Washington. This is a reminder of how a single act of unexpected and tragic violence can drive a wedge, however, temporary between partners.
- In contrast, I am also reminded of the importance of a single act of leadership and how it, combined with aggressive follow-through can build new alliances and lead to greater unity. The decision by President Roh to start trade negotiations is one example.
- In discussions of the U.S.-Korea Free Trade Agreement signed minutes before midnight on April 1st, great emphasis is either put on minutiae or overblown rhetoric:
 - \$1 billion immediate end to tariffs on many agricultural products, including wheats, hides and skins! Repeated Pistachio grower testimony on Capitol Hill!
 - Or, the FTA will provide the second pillar of the U.S.-Korea Alliance.
- Perspective is needed.
 - Biggest Deal since NAFTA, possibly increasing \$78 billion trade relationship by 20 billion.
 - But, the current US-ROK relationship of \$78 billion is actually less than the U.S. trade deficit with Japan (\$82.5 billion), whose trade with U.S. over \$200 billion.
 - Korea's 2006 exports to the United States were less than China's two months of exports to the U.S. in January and February 2007 (\$48 billion).
 - Still Significant deal. Korea's economy stands at \$1 trillion. Ships more merchandise than 118 countries combined.

Summary of Remarks

1. FTA
 - a. Strategic Rationale
 - b. Winners of FTA Agreement
 - c. Inside Baseball: Timetable for Passage
2. Implications for Japan
3. Korea-China Economic Relations

Free Trade Agreement Strategic Rationale

- First question: Is this an economic deal like NAFTA or U.S.-Australia or a political deal (U.S.-Israel or U.S.-Jordan). It is both, but primarily political.
- Traditional Rationale Given:
 - Roh Moo-hyun legacy: use of won diplomacy to further South Korean diplomacy, so that Korea's diplomatic influence eventually will be on par with economic influence globally.

- Korea negotiated as an equal.
- Transformative effect of U.S.-ROK Alliance
- Increase FDI into Korea.
 - Korean economy is 1.8 percent of global GDP, but only .8 percent of global FDI. In contrast, U.S.-Japanese economies account for 40 percent of global GDP.
 - Hong Kong: 1/5th size. 5x as much FDI
 - 21 MNC headquarters in Korea vs. 1,167 in Hong Kong.
- Asian Economic Hub Goals: Mexico of Asia, beachhead into U.S. for foreign investment. Build it in Korea, ship it to the U.S. Build it in the U.S. ship via Korea elsewhere into Asia.
- Undercut competitiveness of Japanese products vs. Korean and U.S. products
- Counter-balance of China
- May also shift the view of Korean-Americans in Korea

Free Trade Agreement Winners

- 95 percent of goods and services in 3 years tariff free
- U.S. automakers in theory.
 - Immediately remove ROK 8 percent tariff. Phase out tax on engine displacement
 - Set up Autos Working Group and Expedited Dispute Resolution.
 - Snapback provision.
- Korean automakers
 - Now sell 850k cars in U.S. KIA alone aims to sell over 800k by 2010.
 - Immediate end to U.S. auto tariff.
 - Ten year phase out of U.S. 25 percent light truck tariff.
- U.S. agriculture:
 - Half of \$1.6 billion in U.S. ag exports to Korea will be duty-free immediately, including whisky, almonds, orange juice and French fries.
 - Beef: \$1 billion market. 15 year phase-out of 40 percent tariff
 - Beef market must be completely reopened to pass Congress.
 - May: World Organization for Animal Health must give U.S. beef “controlled risk” status to open market.
 - Rice: market stayed close
- Korean high-tech goods: Slashing of 5 percent tariff on many Korean consumer electronics. Means potential \$80 drop on the cost of Korean-made flat screen TV's.
- Korean textiles: U.S. will eliminate 61 percent of its tariffs in terms of export value.
- Services:
 - U.S. can make big inroads into legal and financial sectors and telecommunications:
 - Legal: Can establish consulting services in year 1 and joint venture law firms in phase three.
 - Financial: U.S. banks will be able to establish branches of banks, insurance companies, and cross-border services.

- Telecom: 100 percent ownership of Korean program providers after a three year phase-in for U.S. firms establishing a Korean subsidiary.
- ROK education and medical services markets stay closed.
- Protected by international arbitration.

U.S.-Korea FTA Timetable for Passage:

- Will not comment on prospects in Korea. Rather focus on U.S.
- To date:
 - Only 4 press releases from Congress members.
 - Two Senators from Michigan, Levin and Stabenow, against it.
 - Not surprising: autos and labor will never support the deal.
 - ILO as labor fig leaf: Korea has signed onto 4 of the 8 provisions of the ILO charter; the U.S. has only signed off on 2 of the 8.
 - Vito Fossella, Rep. of New York and co-chair of Korea caucus, very supportive.
 - Senator Chuck Grassley: disappointed rice not in deal, but overall supportive.
- Real players:
 - Charles Rangel, Rep. of New York, Head, House Ways and Means:
 - Thus far quiet, but likely to support.
 - TPA and U.S.-ROK FTA legacy issues. May want to resign after this term.
 - Max Baucus, Sen. of Montana, Chair, Senate Finance:
 - Likely steward of deal through Congress.
 - Legacy issue
- Bottom-lines:
 - Senate: Likely to pass. Republicans will support. Probably enough Dems will support.
 - House: Republicans will support.
 - Rumored Speaker supports.
 - Importance of Rahm Emanuel.
- What's Next:
 - Lawyers scrubbing deal at present.
 - International Trade Commission will conduct an impact study on the agreement.
 - Deal signed on June 30th. Administration will then develop implementing legislation.
 - Once implementation legislation is submitted, Congress has ninety days to vote on deal.
 - No time limit on when must be submitted. But since FTA already signed, it would qualify for expedited procedures under TPA regardless of when implementation legislation submitted to Congress.
 - Could face a vote as early as next fall. Likely before next Presidential election at present.

FTA's Big Loser: Japan

- Shot across Japan's bow by U.S.
- With TPA expiration, U.S. unable to negotiate with Japan FTA for foreseeable future.
- Do not expect compromise by Japanese agricultural interests.
- Will not get same rice deal as ROK, according to Deputy USTR Wendy Cutler.
- Price reductions of Korean products vs. Japanese goods. This will likely lead to increased Japanese production in Mexico or U.S.
 - Also buffered by strong won vs. weaker yen versus the dollar, making Japanese goods still competitive.
 - May stir Japanese to negotiate FTA with Korea?
 - Japan recently signed Mickey Mouse FTA with Thailand, which will cut tariffs on 90 percent of goods. Effective 2008. 2.9 percent of Japanese trade with FTA partners. U.S. in contrast is 33 percent
 - Keidanren supports, but Aso and Abe appear non-committal.
 - First proposed in 1998. Began negotiations in 2003, ended by close of 2004.
 - Due to similarities in economies. Competitive interests, be it agricultural or manufacturing, deal may continue to be blocked.
 - Losers would likely be the Korean SMEs (30 percent of all manufacturing) and employees in parts and components (46 percent of all manufacturing employment) and Japanese farmers.
 - Irony: Japan would have more to gain from the FTA since Korean tariffs are considerably higher than Japanese tariffs on many manufactures.
 - 8 percent ROK auto tariff, zero in Japan
 - 8 percent ROK electronic tariff, .8 percent in Japan.
 - But, ROK likely to pursue FTA with EU first.

China-ROK Economic Relations

Economic advancements in the Korea-Chinese relationship should not be ignored. China in fact is at the center of each country's relations.

1. China became Korea's largest trading partner in 2004. \$100 billion trade in 2005 up from \$6 billion in 1992, nearly \$30 billion more than trade with U.S. and with a 23 billion trade surplus in favor of Korea.
2. 500,000 ethnic Koreans now work in China, many of whom are semiconductor engineers that lost their jobs at LJ Semiconductor.
3. with 54,000 Korean students there (Nearly 37 percent of all foreign students in China)
 - a. 35 percent of middle and high school student in Korea expressed a willingness to learn Chinese
 - b. 15 percent of all Korean overseas students are now Korean
4. Korea's accumulated FDI in China reached a total of \$13.5 billion in 2005.
5. Three types of Korean exports to China:
 - a. Chinese domestic market
 - b. Intrafirm trading with Korean firms to extend the exporting life cycle to U.S., Japan and EU-bound goods.

- c. Exports to Korean investment companies and to Chinese exporters
- d. In 2005, 49.8 billion of Korean exports
 - i. \$28 billion were not intra-firm exports
 - ii. \$21.8 billion were intrafirm
- 6. Return of Ethnic Chinese to Korea (100,000, now 20,000, but coming back)
- 7. Negative impacts cannot be overlooked, but should not overshadow opportunities.
 - a. Hollowing out of Korean industry and Accelerated Technology Transfer
 - i. Hynix's purchase of Jingdongang's LCD buyout from Hynic and
 - ii. Shanghai Autos purchase of Ssangyong Autos
 - iii. 3.16 new workers
 - 1. 600,000 less in agricultural sector
 - 2. 740,000 less in manufacturing sector

Adapting Alliances to New Realities: A Japanese Perspective

By Sakata Yasuya

New Opportunities, but Tasks Lie Ahead

The U.S.-Japan and U.S.-ROK alliances face new realities in the post-9/11 security environment. Both alliances have undergone rigorous negotiations in past years in response to U.S. military transformation and the GPR (Global Posture Review). The alliance partners now face the task of implementing the agreements made in the alliance reviews to be completed, overall, by the end of the next decade.

The alliance transformation process provides an excellent opportunity to adapt alliances to the post-9/11 security environment, and redefine, renew, and upgrade security cooperation. But as strategic priorities of the three allies and partners have drifted apart, a conscious effort will be necessary on the part of the U.S., ROK, and Japan governments to pull this through. So, where are we at? What are the tasks?

More Symmetry in the Two Alliances

When the U.S.-Japan/U.S.-ROK alliances are discussed, differences or “asymmetry” is stressed, especially in recent years. The U.S.-ROK alliance is generally perceived as a “local alliance” limited to the Korean Peninsula and the U.S.-Japan alliance as a “regional alliance” for the stability of the East Asia/Asia-Pacific region. This is still true today, in the sense that dealing with the North Korean threat is still the primary rationale for the U.S.-ROK alliance, and the U.S.-Japan alliance is geared toward North Korea and beyond. The political difficulties, symbillionsis in U.S.-Japan relations and frictions in U.S.-ROK relations, highlighted “differences” of the two alliances, and how they are drifting apart. But as a result of the GPR process, the two alliances show more commonalities or “symmetry,” or at least they show the potential for more symmetry than ever before. This is because the post-9/11 U.S. defense requirements have forced alliance partners to share more of the burden in global, regional and local security.

Commonalities or symmetries of the U.S.-Japan and U.S.-ROK alliances can be discerned in terms of: 1) strategic flexibility of U.S. forces, 2) regional and global outlook, 3) increased role for Japan and ROK, 4) upgraded strategic dialogue mechanisms, 5) more “normalized” military cooperation mechanisms.

- 1) **Strategic flexibility of U.S. forces:** Strategic flexibility of the U.S. Forces in Japan (USFJ) has been and continues to be an integral factor. Japan provides base support for USFJ for operations not only for the defense of Japan but also for out-of-area defense. The USFK has traditionally been limited to Korea defense, but the U.S. now needs “strategic flexibility” for all its forces as a global mobile force, and this was no exception for USFK. Although the ROK government showed reluctance, it agreed to the principle of strategic flexibility, and the USFK can be deployed for missions beyond Korea, as seen in the 2004 humanitarian assistance operations in the wake of the Sumatra earthquake. The ROK and the U.S. will need to develop a new

consultation mechanism on U.S. force deployments abroad, such as that between the U.S.-Japan, as it will affect local defense.

- 2) **Regional and global outlook:** The U.S.-Japan alliance has reaffirmed its regional and global outlook through the Defense Policy Review Initiative (DPRI) in the GPR. The Regional and Global Common Strategic Objectives outlined in the U.S.-Japan Security Consultative Committee (or 2+2) Joint Statement of Feb. 19, 2005 show more assertiveness in Asia-Pacific regional security, especially on China's military buildup and the Taiwan Strait, and on WMD counter-proliferation and maritime security issues. In connection with counter-terrorism in global security. The "Joint Declaration on the U.S.-ROK Alliance and Peace on the Korean Peninsula" (Nov. 17, 2005) confirmed common strategic objectives in the post-9/11 regional and global security, but with much weight on the Korean Peninsula. A more comprehensive and detailed articulation of common goals, roles, and missions is yet to be announced – through the U.S.-ROK Joint Vision Study.
- 3) **Increased role for Japan and ROK forces:** As U.S. forces are reconfigured, Japan and ROK forces will have to increase this role in alliance cooperation, first and foremost in local defense. ROK Defense Reform 2020 is a response to USFK reduction, and aims to complete the process of transitioning the ROK forces from a supporting to a leading role in Korea defense. Japan Self-Defense Forces (JSDF) is also expanding roles in local defense, such as coastal defense in light of the Chinese naval buildup (e.g., when a PLA submarine violated Japanese territorial waters in the East China sea in late 2004) and North Korean spy ship incursions. Missile defense is another major area of increased allied cooperation.¹ Japan and the ROK are both promoting measures to increase its capabilities to deploy forces abroad for humanitarian and international security operations, as in Iraq, the Afghanistan operations, the Sumatra earthquake, and UN PKOs.² The SDF joint command system which began in March 2006 will enable it to function as one unit, and facilitate closer bilateral cooperation with the U.S. (i.e., joint management of missile defense system),

¹ Japan's Air Defense Command and units in Fuchu (Tokyo) will collocate with HQ U.S. 5th Air Force to strengthen air and missile defense command and control coordination, and share data through the bilateral and joint operations coordination center.

² The Araki Report (Prime Minister's Council on Security and Defense Capabilities, "Japan's Vision for Future Security and Defense Capabilities," April 2004), which was a response to the U.S. GPR, advocated that Japan develop an "integrated security strategy" (*tougouteki anzenhoshou senryaku*), which focused not only on the defense of Japan (territorial defense), but also "prevention of emergence of threats by improving the international security environment"(i.e., international peacekeeping operations, humanitarian assistance). These goals are to be pursued through 1) Japan's own efforts, 2) cooperation with an alliance partner (the U.S.), and 3) cooperation with the international community, which implies those in the UN framework, NATO, and with regional partners. Based on the "integrated security strategy," SDF is to be transformed into a "multiple-functional flexible defense force" (*takinou danryokuteki boueiriyoku*). This is a revision of the Base Force Concept (static defense against limited aggression) of the Cold War. The traditional concept of Exclusively Defensive Defense (*Senshubouei*) is maintained but international security operations have been added as another main pillar of SDF roles. National Defense Program Guidelines (FY2005) adopted the multiple-functional flexible defense force concept as the future direction of SDF development.

and promote participation in operations such as counter-terrorism, disaster-relief, and peace operations abroad.

- 4) **Upgraded strategic dialogue mechanisms:** The U.S.-Japan 2+2 mechanism is being strengthened. The process has been traditionally led by the Ministry of Foreign Affairs, but defense officials, formerly the Japan Defense Agency, now upgraded to the Ministry of Defense (MOD), is increasing its role in defense/security policy making. Japan needs to strengthen Cabinet-level leadership and coordination from the top, and develop effective institutional mechanisms such as the National Security Council. The U.S.-ROK alliance is also evolving. In addition to the traditional annual defense ministers meeting (Security Consultative Meeting, SCM), the Strategic Consultation for Alliance Partnership (SCAP) was launched in January 2006, a ministerial-level meeting of diplomatic officials, the U.S. State Department and MOFAT. The Blue House NSC would need to provide more balanced and comprehensive leadership to communicate effectively with its ally.³

- 5) **More “normalized” military cooperation mechanisms:** As U.S. forces are reconfigured and command relations adjusted, U.S. and Japanese forces will be more integrated, and U.S. and Korea forces will be less integrated. The GOJ has been careful not to be too integrated with USFJ, due to constitutional constraints (the restraint on right of collective self-defense), but new capabilities such as missile defense require closer, integrated cooperation for the alliance to function effectively. The ROK on the other hand, is very integrated with the U.S. forces under a unified command, CFC, to defend against a North Korea attack. But the alliance review led to the agreement for the transfer of wartime operational control from CFC to ROKF, and the establishment of a parallel command relationship, or a mutually independent military coordination mechanism. Thus, the direction of the alliances look asymmetrical, U.S.-Japan integrating and U.S.-ROK unraveling, but it can also be said that both U.S.-Japan and US-ROK military cooperation mechanisms are being “normalized.” The U.S.-ROK command readjustments will be difficult, but if successfully done, they will give more flexibility on both sides, and may expand the area of security cooperation. The new relationship will enable both Japan and the ROK to expand their role in defense and regional security, and further bilateral and trilateral cooperation. After the present plans are implemented, an overall review of regional command arrangements, PACOM, USFJ, USFK, may be necessary.

Ways to Enhance Inter-Alliance Cooperation

³ In April 2004, the ROK Blue House NSC released its first comprehensive national security strategy document, “Peace, Prosperity, and National Security.” The document focused mainly on the Korean Peninsula and Northeast Asia. A more comprehensive document, which addresses further broader regional and global security goals has yet to be articulated.

More “symmetry” between the U.S.-Japan and U.S.-ROK alliances can serve as a basis for upgrading security cooperation. In what ways can inter-alliance cooperation be promoted?

- 1) **Strengthen U.S.-ROK-Japan trilateral and Japan-ROK bilateral defense dialogue** to promote mutual understanding of the changes to be implemented in the GPR/alliance transformation process. This is of particular importance with regard to Korea contingency plans.
- 2) **Reinvigorate trilateral policy coordination with regard to North Korea policy**, i.e., implementation of Six-Party Talks agreements (Feb.13, 2007), and on sanctions, such as UNSC Resolution 1718. This should link with the six-party process as necessary. Should the first stage of the 2/13 agreement be implemented and six-party ministerial talks be realized, closer coordination among the U.S., ROK, and Japan will be necessary at the top level.
- 3) **Promote trilateral security dialogue and cooperation in not-so-sensitive areas, such as MOOTW (Military Operations Other Than War)**, and reconfirm common areas of interest, and rebuild mutual confidence and trust. USFJ and ROK rescue units participated in a Tokyo earthquake disaster relief exercise last year in Tokyo.
- 4) **Promote trilateral cooperation in an Asia-Pacific context.** The U.S.-Australia-Japan trilateral strategic dialogue can be expanded to a **U.S.-Australia-Japan-Korea quadrilateral dialogue**, from working-level to the ministerial-level. In addition to dialogues, joint action/operations-type of initiatives can be promoted. **PACOM’s “Theater Security Cooperation Plan”** initiatives, such as joint exercises (RIMPAC, Cobra Gold, and other peace operations) are useful tools to promote multilateral defense and security cooperation among regional allies and partners, and provide opportunities for Japan and Korea to work together. Tools such as **PSI (Proliferation Security Initiative)**, though still sensitive for some governments including the present one in Seoul, enhance common goals such as fighting proliferation of WMD. These types of efforts should be enhanced, and initiative should be taken not only by the U.S., but by other allies and partners, such as the PSI exercises hosted by Australia and Japan.
- 5) **Enhance Japan-ROK strategic dialogue and aim toward a Japan-ROK Joint Declaration on Security Cooperation as part of an Asia-Pacific security cooperation framework.** This can follow the U.S.-Australia-Japan model. For Japan, the Japan-Australia Joint Declaration on Security Cooperation (March 13, 2007), which emerged in relation to the U.S.-Japan-Australia trilateral strategic dialogue process, are steps for Japan to expand and “semi-formalize” regional security ties with countries besides the U.S, as part of the Asia-Pacific alliance network. In the bilateral Japan-ROK context, this would mean updating the section on security cooperation included in the Japan-Korea Joint Declaration signed at the Kim Dae-jung- Keizo Obuchi summit in October 1998.

- 6) **Cooperation with NATO and UN Peace and Security operations** can also enhance U.S.-ROK-Japan cooperation. Strengthening partnership with NATO is one of the policies that the GOJ is promoting. Both Japan and the ROK deployed forces to Afghanistan and Iraq. ROKF in Kurdistan (Irbil), the Zaytun Unit is cited as a successful example of reconstruction/humanitarian assistance operations in Iraq. Japan can learn from ROK ground forces' experience in peacebuilding, as the ROK can learn from Japan's naval and air force (MSDF and ASDF) experience in the provision of logistical support to multinational forces. This can be conducted in bilateral (Japan-ROK), trilateral (U.S.-ROK-Japan), and multilateral contexts.

Constraining Issues

There are issues that constrain strengthening alliance cooperation. These are important issues that need to be overcome if trilateral cooperation is to be promoted.

- 1) **The North Korea factor:** One of the primary rationales for the two alliances is to work together in deterring and defending against a North Korean attack. Japan is committed to responding to a Korea contingency through the U.S.-Japan Security Treaty (alliance) and the UNC/UN SOFA agreements. Although Japan, the ROK, and the U.S. are members of the Six-Party Talks, divergences over diplomatic approaches and policies toward North Korea in recent years, have negatively affected Korea contingency planning and inter-alliance cooperation. This needs to be overcome since responding to a NK contingency is the core issue for the two alliances.
- 2) **The China Factor:** A longer term strategic issue is the rise of China. China is now a top-ranking economic partner for the U.S., Japan, and Korea, and all three governments have acknowledged China's status as "stakeholder" in the world and in the region. But how to "shape and hedge" China in the defense/security sphere continues to be a tough issue for the three countries. Facing Chinese military modernization, and incursions of PRC vessels into Japanese territorial waters, the U.S. and Japan have been more forthcoming in addressing the issues that China poses as articulated in the U.S.-Japan Common Strategic Objectives for regional security in the Joint Statement of February 2005.⁴ The ROK, on the other hand, is more cautious about antagonizing China in the defense/security area, but share the concerns that the U.S. and Japan have. Thus, there is a need to promote more dialogue with the ROK and fine-tune concerns and approaches regarding China. Promoting China's participation in multilateral dialogues and exercises in the Asia-Pacific would be desirable as confidence-building measures and enhancing capabilities in response to shared concerns, such as disaster-relief and WMD counter-proliferation. China has increased its overseas deployment capabilities (e.g., PKO), so this opens new areas for multilateral cooperation in the regional context. China-ROK-Japan dialogue and cooperation in the trilateral and in the ASEAN-Plus-Three context, will help in

⁴ On China, the Joint Statement read: "to develop a cooperative relationship with China, welcoming the country to play a responsible and constructive role regionally as well as globally," "to encourage the peaceful resolution of issues concerning the Taiwan Strait through dialogue, "to encourage China to improve transparency of its military affairs."

confidence building among the three, ease ROK concerns, and in turn contribute to enhancing common U.S.-Japan-ROK approaches toward China.

- 3) **The Japan factor:** Japan's constitutional constraints and security policy prevent Japan from actively participating in international peace and security operations, as well as strengthening alliance functions. Unless there are changes, the SDF would work within the limits of present policy and constitutional interpretations (of Article 9). Even within these limits, there is still mistrust or caution among Koreans regarding enhancement of Japan's security role, and the U.S. prodding Japan to increase its role and take up its own responsibilities. This ambiguity regarding Japan's role is an obstacle to inter-alliance cooperation. More effort should be made to alleviate concerns and build trust between Japan and Korea. Dealing with the history issue is one aspect, but a more conscious and active effort to define and work toward common interests and goals is also necessary.
- 4) **The ROK factor:** Another constraining issue in recent years is ambiguity over the ROK's strategic direction. What is the main pillar of the ROK's national security policy – the alliance with U.S. (buttressed with the KORUS FTA) (and connected with the U.S.-Japan alliance), or cooperative relations with China? Or “balancing” between China, Japan, Russia, and the U.S. (the so-called “Northeast Asia balancer” theory)? Actions and language of the Roh government have caused confusion over where the ROK is heading. The alliance with the U.S. (and quasi-alliance with Japan) and cooperative relations with China can be mutually enforcing if policy is crafted that way. The U.S., ROK and Japan need to reconfirm their strategic direction if inter-alliance cooperation is to be strengthened.

Working toward a More Mature Alliance Relationship

The debate in Japan and Korea over the value of alliance with the U.S. (that is, the debate among those who support the alliance) often (though not always) becomes limited or trivialized to the size of the U.S. military presence: how many troops remain, how large the bases are, etc. This happens because Japan and Korea see these as indicators of U.S. security commitment and resolve. This is an important aspect, but is very one-sided. This “What can U.S. do for us?” type of thinking lingers from the “occupied state mentality” that still exists in Japan and Korea since the end of World War II. And if U.S. forces should be reduced or redeployed elsewhere, the fear of abandonment is voiced. However, when the U.S. asks Japan or Korea, “what can you do for us?” as allies, Japan and Korea tend to shy away, for fear of entrapment. This kind of debate is unhealthy and not one of mature alliance partners.

If we measure the value of an alliance by the sheer size of the U.S. military presence, then most NATO allies, and Australia in the Asia-Pacific will be at the bottom of the list. But the value of NATO and Australia is high on the list of U.S. allies, not because of how large the U.S. military presence is, but because of how much those countries as an ally can contribute toward common goals. If you are a well-off country, that contribution would be measured not just in base support (or host nation support), but also participation in joint operations and missions.

If plans are implemented as agreed upon, the U.S. forces and bases in Northeast Asia, will be reconfigured, by the end of the next decade. USFK presence will be reduced, but concentrated with more flexibility centered on modernized Osan-Pyeongtaek facilities. USFJ presence will be enhanced all around, with Navy and Air components, and a reconfigured Ground force headquarters presence in Zama, Marine Corps repositioned in Okinawa-Guam. Japan will be the major Main Operation Base (MOB) for the U.S. in the Asia-Pacific, but does this make the U.S.-Korea alliance of less value compared to the U.S.-Japan alliance? Yes, if the value of alliances is measured by the size of U.S. military presence. But if the value of an alliance is measured by how much allies share common goals and roles and missions, along with the assets they possess, the answer may be different. What matters is how much Japan and Korea, as allies, can share and contribute to common goals and missions, and how the reconfigured assets can be used for new alliance capabilities. It is not “numbers” but “capabilities,” as the former Secretary of Defense said, that determines the value of “mature” alliances.

So Japan and Korea need to get out of the habit of comparing U.S. military assets in each other’s country, and discuss the bigger picture, as mature allies. What can the three countries do together to promote common goals? What are the common goals, and how can they be achieved? These should be discussed in U.S.-Japan/U.S.-Korea bilateral frameworks, but also in trilateral (U.S.-Japan-ROK), and multilateral frameworks, particularly in an Asia-Pacific setting including, for example, Australia. Instead of thinking narrowly in “national”/“bilateral” mode, think more broadly in “regional”/“multilateral” modes, as we adapt alliances to new realities in the post-9/11 environment.

Adapting Alliances to New Realities: Talking Points
By Sheila A. Smith

(1) *New Strategic Environment and the Need for Force Posture Adjustments*

The U.S. alliances with key partners in Asia, Japan, and South Korea, have undergone significant transformations in recent years. Driven by a reassessment in strategic goals by the U.S., and similar rethinking of national goals and strategy by Japan and South Korea, the realignment of the military dimension of these key alliances has been on going for some time. Key statements of this negotiation of new balancing of roles and capabilities in these two U.S. alliances can be found in the 2004 agreement to restructure U.S. forces on the Korean Peninsula and the more recent bilateral agreement to transfer wartime command to South Korean forces. For Japan, the 2+2 statements of 2005 and the follow-up agreement on the realignment plan for U.S. forces stationed in Japan provide the foundations for recalibrating this alliance over the next decade or more.

At the most fundamental level, these new plans for adapting the scope of military cooperation focus on the core goal of the U.S.-Japan and U.S.-ROK alliances. Washington negotiated its force realignments in Asia with each ally individually, and the process of implementing these agreements with Seoul and Tokyo will continue to reflect this parallel effort to restructure America's military cooperation with its key Asian allies.

The U.S.-led effort to transform its military deployments dovetailed with similar efforts to reconsider national strategy in both Japan and South Korea, efforts that continue to place the alliance with the United States at the core of national security planning but also suggest a willingness to transform military-to-military cooperation to make the alliance a more effective tool for Japanese and South Korean military planners.

Both the Japanese and Korean militaries have sought to recalibrate their force postures to accommodate shifts in the regional strategic dynamics, and to assuage the concerns of their domestic audiences that national strategy will reflect national goals rather than simply respond to Washington's needs.

In both countries, there will be a reduction in U.S. forces on the ground in South Korea and transforming the U.S. force posture and footprint in Japan. The ROK military today is preparing to step up to a leading role in developing both peacetime and wartime command for South Korean defenses. U.S. forces are consolidating south of the Han River to provide greater tactical flexibility in the case of a contingency. Finally, the U.S.-ROK alliance is accommodating the U.S. need for "strategic flexibility" in the use and deployment of its military, both regionally and globally. Korean forces also began to extend their cooperation beyond the traditional mandate of South Korean defense in the coalition effort in Iraq.

Japan's military has a new blueprint, outlined in the 2004 National Defense Program Outline, one that shifts the focus from old Cold War scenarios of a northern defense front to a new and more flexible deployment of key SDF resources toward the

southwest. Defense of Japan's maritime and airspace will be a key task for the SDF. Moreover, Japan's SDF will increase their interoperability with U.S. forces in Japan through co-basing and other types of force integration in an effort to improve their deterrent capability for developing emerging missions such as ballistic missile defense and counter-terrorism training. Finally, Japan is beginning to develop its thinking on how to best develop SDF capability for "international cooperation" operations, ranging from already established peacekeeping operations to a broader rubric, such as that adopted in Iraq, for working with the U.S. and others in new coalition initiatives.

(2) *New Domestic Debates over National Strategic Ends and Means*

The domestic politics of these redefinitions have been most visible in South Korea, and the U.S.-ROK conversation on the alliance has been front-page news in South Korea for some time now. Sensitivities between the White House and Blue House called for reassurance at the highest level of government, and frustration within South Korea by those outside of government was regularly heard in Washington. The Japanese public is also sensitive to security policy changes, and even among government officials there has been some disgruntlement over the cost and the process of moving U.S. forces off of Okinawa. Sensitivity too to the question of whether Washington is adequately considering Japan's own defense needs, particularly vis-à-vis North Korea, continues to inform domestic discussions of the alliance in Japan.

The U.S. effort to transform its own military and the overseas deployments of that military have been deeply affected by the war and postwar occupation in Iraq. With a new democratic majority in the U.S. Congress, the national debate in the U.S. over the impact of the Iraq war and the continued presence of U.S. forces there has shifted to a focus on when and how to end the U.S. military role there. Moreover, a broader consideration of diplomatic goals in the Middle East has begun, suggested that for some time U.S. energy and resources will be dedicated to creating the conditions for ending what many now see as a failed strategy. The long-term impact on U.S. foreign policy has yet to be determined, but the domestic debate over how to end U.S. involvement in Iraq and how to establish a new set of foreign policy priorities will only intensify as the U.S. presidential election draws closer.

(3) *Intensification of Political Tensions between Japan and Korea*

While much progress seems to have been made in adapting military dimensions of these alliances, considerable tensions remain between Japan and South Korea. The political tensions in this relationship are well known, and have been exacerbated over the past several years by incidents that suggest greater attention to domestic political agendas than to the need for regional stability. The short-lived but intense public confrontation between Tokyo and Seoul over the Takeshima/Dokuto Islands in (date) surprised many, and suggested that the political strains in this relationship were sufficient to provoke military hostiles and intense public emotions.

Can Washington continue to consider regional security policy solely in terms of its bilateral relations with Japan and South Korea? In each of these efforts to negotiate new strategic goals, and new joint force postures, there has been little formal effort to

evaluate how these changes in the individual alliances are affecting the other security partner. What do Japanese security planners think about the reduction of U.S. forces on the Korean Peninsula, and the decision to transfer wartime command to South Korean forces? Likewise, do security planners in South Korea see the new strategic goals of the U.S.-Japan alliance outlined in 2005 as enhancing stability in the region? What are the concerns, expressed frequently if quietly in policy circles, about Japan's reformulation of its security goals and capabilities? What would ease those concerns?

(4) And, of course, there is China.....

(5) Do we now have to live with a nuclear North Korea? And if so, what does this mean for our alliances?

Adjusting to New Realities...Beyond the Bilaterals

National priorities are adjusting in all three of our countries, in part responding to ongoing regional geopolitics and in part responding to new debates within. The priorities for each country differ, and the domestic assessments of government policies reflect, of course, longstanding debates about national identity and norms.

(1) Domestic Politics Exerting Greater Influence

But it is clear that there are today some central organizing questions that will continue to motivate national policy debates. In South Korea, the need to live peacefully between the U.S. and China will continue to suggest adjustments for the U.S.-ROK relationship. While the defense of South Korea will remain a central goal for the U.S.-ROK alliance, the ability of the South Korean government to work effectively with Washington will also be tempered by changing domestic perceptions of China and its role in shaping Korea's future. In Japan, the national debate over foreign policy focuses instead on the desire for a more strategic approach to foreign policymaking. Both under the Koizumi and the Abe governments the idea that Japan must rid itself of the constraints of its "postwar" diplomacy – most conspicuously (but not exclusively) the restrictions on its military, the SDF – have been translated into a more assertive set of defense and foreign policy goals. And, clearly, the United States faces difficult decisions in the months and years ahead on its choices in Iraq and the Middle East. The U.S. will reduce its forces in Iraq, and the speed and manner in which it does so will affect Washington's relations with that vital region for some time to come. How other governments (and perhaps more importantly their citizens) interpret U.S. policy in Iraq, and towards the Middle East more broadly, remains to be seen. How the American public will ultimately interpret the "lessons" of Iraq is equally unclear, but this domestic assessment will undoubtedly shape US foreign policy goals for some years to come.

For the most part, these are questions that shape domestic debates in each society, but clearly, there will be tests ahead for the management of bilateral alliances. The goal is to develop and sustain a policy agenda that will prove the value of alliances within these societies, and avoid the perception that these half-century old relationships are now a hindrance to contemporary aims of South Korean, Japanese, or American foreign policy.

(2) *More Regional Options on the Menu*

Today, there are numerous vehicles for cooperation open to foster shared goals. The bilateral alliances provide a firm foundation for joint security cooperation. Yet, these security arrangements must also be complemented by a healthy multilateralism. Today, there are a host of new multilateral initiatives, some formalized, others less so. There is no one organization that represents all interests in Northeast Asia, nor would most governments think it wise to put all diplomatic eggs in one regional basket. Instead, all three governments must remain engaged in, and receptive to, the opportunity to move beyond the narrow confines of established security relationships.

But the proliferation of regional options for multilateralism also presents some challenges. To what extent do existing regional institutions, such as APEC, ASEAN Regional Forum, still work? On a more practical level, which meetings should senior officials attend? What is the impact of not attending? New initiatives – particularly in Northeast Asia – have also occasioned concerns that Washington will be absent from the table. The generous interpretation of who had a stake in Northeast Asia that we saw in the lead up to the East Asia Summit also raises questions about what sorts of frameworks are comfortable for whom.

Thus far, however, it seems clear that the effort to build regional conversations and institutions thus far demonstrate the following.

(A) There is great merit in a multiplicity of regional interactions, and in overlapping memberships in various regional institutions.

The benefit of developing new avenues for regionalism in Northeast Asia has been amply demonstrated over the past decade or more. The birth of the ASEAN Regional Forum in the early 1990s reflected the hope that a region-wide organization, modeled somewhat on the CSCE model for Europe, could encompass the broad task of confidence building and security dialogue that was lacking during the four or more decades of Cold War Asia. The limits of the ARF have since been demonstrated, and yet we find today that the ARF offers a unique place for sustained conversation among defense officials of the region and has provided the latitude for Chinese incorporation into a common Code of Conduct that commits the members of ARF to use dialogue to resolve disputes. Moreover, the ASEAN-based forum has also identified some key priorities, shared by the ASEAN countries but also by others including Japan such as anti-piracy cooperation for sea-lanes protection.

Similarly, other avenues for regional cooperation have emerged that do not include the United States have in fact served U.S. interests. The ASEAN Plus Three emphasis on common interests in trade, finance, and cultural exchange has been a valuable tool for China, South Korea, and Japan to emphasize their compatibility rather than their differences. The East Asia Summit has also emerged to include others who have a shared interest in many of the same issues. The U.S. needs to be at the table, and should make this a policy priority. Not being at the table suggests we do not consider ourselves to be a stakeholder

(which is clearly untrue) and Washington's absence suggests that we are unwilling to engage in the critical discussions that animate almost everyone other country in the region.

No one institution can serve all goals, and the proliferation of new vehicles for regional consultations suggests that there are strong preferences for regionalism throughout Asia, and in Northeast Asia in particular.

(B) Multilateralism can also take the form of extra-regional policy coordination on issues of common concern. This “problem-solving” approach is particularly needed today in the face of new and unexplored transnational issues that challenge the security of our societies.

Today, perhaps than ever before, there are new and unexplored issues that demand policy coordination. The goal of cooperating to ensure regional and global security encompasses a broad array of task. Moreover, many of the challenges to our societies demand new thinking and different resources. The ability to stem the proliferation of weapons of mass destruction (WMD), to contain transnational terrorism, and to develop the means and the infrastructure to contain the potentially devastating spread of new infectious diseases are beyond the capacity of any one government, and indeed require sustained collective efforts at developing new mechanisms for sharing information, for developing policies to protect civilian populations, and for enforcing these policies.

While some of these tasks could benefit from our militaries, in many ways new agencies of government (and indeed of the civilian sector) are being harnessed to consider these new challenges. Here the opportunity for developing greater mechanisms for cooperation and policy coordination is great. Moreover, these challenges will require a new approach to building alliances both in the region, and around the globe.

(C) Above all, the U.S., South Korea and Japan should be looking to build regional relationships and frameworks that strengthen “habits of cooperation” with China.

More than a decade ago, the task of enticing China into regional multilateralism seemed more than daunting. Today, China is at the forefront of the effort to develop new regional institutions, and is a key partner in perhaps the most critical multilateral experiment in Northeast Asia – the 6-party talks. Concerns about China's long-term growth prospects, its domestic stability, and its regional ambitions abound, and yet, regardless of the trajectory of China's future, all three of our societies will need to accommodate this emerging China.

Hidden amidst the rhetoric surrounding the “rising China” is reason for optimism in regional multilateralism. Perhaps the most difficult, and yet significant, regional vehicle for multilateral policy coordination has been the Six-Party Talks. This effort to bring China, Russia, the two Koreas, Japan and the United States together to work on the denuclearization of the Korean peninsula

has clearly been fraught with tensions and challenges. And yet it continues to be seen as perhaps the only place where collective decision-making is the premise, and where common resources are dedicated to the task of a critical security challenge for the region.

The task of denuclearization and normalization of relations with North Korea continues to challenge the abilities of the governments of South Korea, Japan and the United States to define the parameters of their common interest. Today, Tokyo is feeling least enthusiasm over the pace and outcome of the current round. In the past, South Korea has similarly felt the pressure of being the outlier, and in the early years, the Bush administration was roundly criticized for its inflexibility.

But the success story is that China now is an integral part of the process of navigating this regional problem, and the accommodation of Chinese influence and interests suggests that a focus on shared regional concerns can yield results even in a time of uncertainty. Whatever the outcome of this round, what has been demonstrated is the value of the six-party framework for developing habits of cooperation. While it remains to be seen whether or not this framework can be adapted to different problems, the sustained effort to seek an acceptable common strategy in dealing with North Korea suggests that it is this payoff for regionalism cannot be underestimated.

(D) Avoiding Reactive “Nationalisms” – a Concluding Thought

The case for multilateralism has often been made from the standpoint of collective global governance. But there is another argument that we should not overlook. Global sharing of responsibilities, and the creation and sustenance of credible regimes of cooperation for global and regional problem solving, is also the antidote to reactive nationalisms. In the earlier half of the 20th century, the lesson learned most painfully by Europe but eventually in Asia too was the need for international frameworks that could develop economic and political collaboration.

Today, in Northeast Asia, there is a growing uneasiness within the societies of Japan, South Korea and China about the domestic transitions currently underway. Generations are passing, and yet today it seems the legacy of the first half of this century is casting an even greater shadow over the region’s diplomacy. Domestic politics in Japan and South Korea are characterized by a rethinking of the past, and for some political leaders, using past issues to exacerbate animosity has become all too easy. The United States is also implicated in some of these domestic debates, and U.S. behavior for example at the end of World War II is now being scrutinized by a younger and more critical audience in these two allied societies.

But it is more than “history” that is at issue here. The region is reorganizing itself in the wake of the Cold War, and in particular, the very specific and proximate impacts of the rise in Chinese influence and the acquisition in North Korea of nuclear weapons. Moreover, the United States has begun a process of redefining its strategic interests in the

region in the aftermath of Sept. 11, and has instigated a process of realigning its military forces in the region. Economic dislocations have affected both Japan and South Korea, after decades of astonishing postwar growth. Territorial disputes and energy needs are colliding in the search for greater regional sustainability. Publics in all three of our countries are wary of trusting other countries, as the costs for misplaced trust seem much higher than before.

Successful multilateral efforts to contend with shared problems, therefore, potentially provide a twofold benefit. First and foremost, they must solve problems. But second – and perhaps as vital – they also assuage concerns within domestic society regarding the intentions of others in the region. But the key word here is “successful” – it is not enough now for governments and political leaders to sit and talk. They must now demonstrate to publics at home why it is a much better choice to work with neighbors. Northeast Asia’s multilateralism must be shown to be the optimal means to an end.

About the Authors

Mr. Brad GLOSSERMAN is executive director for the Pacific Forum CSIS in Honolulu and a contributing editor to *The Japan Times*, writing extensively on policy issues and international affairs. He is also co-editor of Pacific Forum's quarterly electronic journal, *Comparative Connections*, and director of the Young Leaders Program. Previously, Mr. Glosserman was director of research at Pacific Forum. He was on the Editorial Board and the Assistant to the Chairman for *The Japan Times* concurrently. His comments and analysis appear regularly in media throughout the Pacific Rim. Past publications also includes *The Future of U.S.-Korea-Japan Relations (2004)*, co-edited with Tae-hyo Kim. Mr. Glosserman holds a J.D. from The George Washington University and an M.A. from the Johns Hopkins School of Advanced International Studies.

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Mr. Scott REMBRANDT is the Director of Research and Academic Affairs of the Korea Economic Institute, having joined the institute in October 2004. Prior to joining KEI, Mr. Rembrandt was based in Asia, where he served as a consultant in China and as the Business Manager for the Chief Country Officer (CCO) Group – Asia for Deutsche Bank. Mr. Rembrandt holds a B.A. in Anthropology from the University of Michigan where his area specialization was South Asian and East Asian politics and culture. He also holds an M.P.A. from Columbia University's School of International and Public Affairs.

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Mr. Kevin SHEPARD is a Korean Flagship Fellow at the University of Hawaii. He is a PhD candidate in DPRK Politics/Unification Studies at the Graduate School of North Korean Studies, Kyungnam University and a researcher for the Institute for Far Eastern Studies. His interests include DPRK economics and international cooperation for DPRK development, NE Asian cooperative security schemes, and US interests and positions in NE Asian political and economic realms.

Dr. Sheila A. SMITH is a Fellow in the Research Program at East-West Center. Her research interests include the political influences on security policymaking in Japan, citizen activism within the U.S. alliances in Asia, and the debate over a new security architecture for the Asia-Pacific region. Current academic affiliations include Associate in Research of the Reischauer Institute of Japanese Studies at Harvard University, and committee member of the Social Science Research Council Global Security and Cooperation Program. Extensive field work in Tokyo (University of Tokyo) and Okinawa

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Mr. Scott SNYDER is a Senior Associate in the International Relations program of The Asia Foundation and Pacific Forum CSIS, and is based in Washington, DC. He lived in Seoul, South Korea as Korea Representative of The Asia Foundation during 2000-2004. Previously, he served as a Program officer in the Research and Studies Program of the U.S. Institute of Peace, and as Acting Director of The Asia Society's Contemporary Affairs Program. His publications include *Paved With Good Intentions: The NGO Experience in North Korea (2003)*, co-edited with L. Gordon Flake and *Negotiating on the Edge: North Korean Negotiating Behavior (1999)*. Snyder received his B.A. from Rice University and an M.A. from the Regional Studies East Asia Program at Harvard University. He was the recipient of an Abe Fellowship, administered by the Social Sciences Research Council, in 1998-99, and was a Thomas G. Watson Fellow at Yonsei University in South Korea in 1987-88.

Appendix A

U.S.-Japan-ROK Relations for the 21st Century Alana Hotel, Honolulu Hawaii, April 16-18, 2007

Agenda

Monday, April 16

6:30PM Opening dinner (*Poolside*)

Tuesday, April 17

9:00 AM Opening Remarks by Conference Chairs
(*Naupaka Meeting Room; 4th Floor*)

9:15 AM Session I: Domestic Developments and their Implications for U.S.-Japan-Korea Relations

Speakers: Japan: Akihiko Tanaka
Korea: Mah In-Sub
U.S.: Scott Snyder

While the international security environment has been regarded as the most significant factor in shaping a country's foreign policy, the role of domestic politics is increasing in East Asia, particularly in democratic countries like the U.S., Japan, and Korea. How will divided government affect U.S. foreign policy? What impact has Iraq, the war on terror, and the Iranian nuclear standoff had on Asia policy? Without understanding the characteristics of Prime Minister Abe's leadership, it is difficult to fully explain Japan's policy on security issues, including North Korea, Japan-ROK relations, and alliance management with the U.S. Public opinion also should be included in analyzing Japan's stance on the issues of abductees, past history, constitutional revision, etc. The December 2007 ROK presidential election will be a turning point for the country's external relations, given that foreign policy debates during the Roh administration have pitted nationalism v internationalism. The continuity or revision of ROK policies toward the DPRK, the U.S., Japan, and China will be shaped by political developments in South Korea and the election. In particular, speakers should address frictions between Japan and the ROK: how they arise and how they impact bilateral and trilateral cooperation.

10:15 AM Break

10:30 AM Session continues

12:00 PM Lunch (*lower-level restaurant*)

1:30PM Session II: Strategic Concerns and Long-Term Visions

(Naupaka Meeting Room; 4th Floor)

As the principal U.S. allies in Northeast Asia, Japan and the Republic of Korea are critical to the U.S. strategy to secure peace and prosperity in the region and beyond. Yet, tensions in bilateral relationships have impeded smooth and effective coordination and cooperation. All three countries need a clearer understanding of each other's (and their own) long-term interests; it is especially important to understand divergences among priorities and how they can be reconciled. Participants should consider their country's vision of itself in 20 years, its role in East Asia, and its relationship with the other two countries. What are key long-term concerns? What factors are most important in shaping the regional political, security, and economic environment? How will relations among the three and within the region evolve? What sort of institutional structure is best for the region? A Young Leader from the presenting country will provide brief comments in response. Subsequent discussion will focus on areas of overlap and on differences, with attention given to ways to reconcile those differences.

1:30 PM II A: Korea's Security Vision and Strategy
Speaker: Kim Tae-Hyo
Young Leader comments: Jun Pyon

What is the ROK's medium and long-term security vision? What are priorities and strategies regarding North Korea? Issues include the Six-Party Talks, human rights, the Sunshine Policy, unification policy, and policy coordination with the U.S., Japan, China, and Russia. What is the ROK position regarding alliance transformation and such issues as OPCON transfer, USFK, crisis management in and around the Korean Peninsula, etc. Can Koreans set aside the past in formulating a future-oriented Korea-Japan relationship? How does the ROK deal with a "rising China"? How should Seoul deal with China to minimize uncertainty?

2:30 PM II B: Japan's Security Vision and Strategy
Speaker: Koji Murata
Young Leader comments: Ryo Sahashi

What is Japan's medium and long-term security vision? What are priorities and strategies regarding becoming a "normal country," revision of Article Nine, right of collective self-defense, pursuit of permanent membership on the UN Security Council? How does the future direction of the U.S.-ROK alliance and inter-Korean relations impact on Japan's interests and strategy toward Northeast Asia? Can Japan set aside the past in formulating a future-oriented partnership with Korea and China? How would Japan balance the Japan-U.S. alliance and Japan-China relations, given a more assertive China in East Asia?

3:30PM Break

3:45 PM II C: America's Security Vision and Strategy

Speaker: Balbina Hwang
Young Leader comments: Kevin Shepard

What is America's medium and long-term security vision? What are priorities and strategies regarding key issues in its global strategy? How does East Asia fit into that global picture? What is the state of the U.S. debate about unilateralism and isolationism? What is the impact of anti-Americanism on U.S. policy? What differences and similarities exist in handling security relations with Japan and the ROK? How will the U.S. manage relations with China?

5:00PM Session adjourns

6:30PM Reception and Dinner (*Poolside*)

Wednesday, April 18

9:00 AM Session III: Economic Dimensions of Trilateral Relations
(Naupaka Meeting Room; 4th Floor)

Speaker: U.S.: Scott Rembrandt
 Korea: Jeon Jong-Kyou
 Japan: Yoichi Kato

As developed, interdependent economies, economic relations among the three countries have a profound impact on the bilateral relationships. Do economic relations among the three countries dampen or heighten tensions? How are the three countries coping with globalization? What are the prospects for the various free trade agreements that the three countries are considering among themselves? What is the role of those agreements? How do they fit into regional, Asia-Pacific, and global economic arrangements? How does China fit into the regional economic picture and how does each country's relationship with China impact its strategic outlook?

10:30 AM Break

10:45 AM Session IV: Adapting Alliances to New Realities
(Naupaka Meeting Room; 4th Floor)

Speakers: Korea: Kim Woosang
 U.S.: Sheila Smith
 Japan: Yasuyo Sakata

Both the U.S.-Japan and U.S.-ROK alliance are being restructured. What additional changes need to be made in these alliances? How does each government see its role within each alliance? How does each government see the other alliance? Is closer cooperation and collaboration between the two alliances desirable? If so, how can this be achieved? Should Japan and South Korea be exploring new relationships with other

multilateral security arrangements, such as NATO or the SCO? What type of relationships? How does the PRC fit into the overall equation?

12:00 PM Lunch (*lower-level restaurant*)

1:30 PM **Session V: Building Blocks for Trilateral Relations**
(*Naupaka Meeting Room; 4th Floor*)

Speakers: Japan: Yuji Uesugi
 U.S.: Peter Beck
 Korea: Hyun In-Taek

What can each country do on its own to improve prospects for trilateral cooperation? What bilateral measures could be undertaken to foster trilateral cooperation? What policy issues are best undertaken at the trilateral level? What are the costs and risks of not cooperating? Are there obstacles in mainstream views to achieving new modes of cooperation? How can they be overcome? The goal is to identify specific building blocks that can be pursued unilaterally, bilaterally, and trilaterally to improve the trilateral political, economic, and security relations.

3:00 PM Wrap Up and Concluding Remarks

3:30 PM Adjourn

3:45 PM Young Leader Session (*Naupaka Meeting Room; 4th Floor*)

5:30 PM Young Leaders adjourn

Appendix B

U.S.-Japan-ROK Relations for the 21st Century **Alana Hotel, Honolulu Hawaii, April 16-18, 2007**

Participant List

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