



**REGIONAL SECURITY IN EAST ASIA:  
AN FPRI CONFERENCE REPORT**

**By Jacques deLisle**

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“Regional Security in East Asia: Sustaining Stability, Coping with Conflict, Building Cooperation?” was the topic of the Foreign Policy Research Institute’s annual Asia Program conference, held in cooperation with the Reserve Officers Association on November 1 in Washington, D.C.<sup>1</sup> Participants included: Richard Bush (Senior Fellow and Director of the Center for Northeast Asian Policy Studies at the Brookings Institution), Victor Cha (Professor of Government and Director of Asian Studies at Georgetown University and Korea Chair at the Center for Strategic and International Studies), Jacques deLisle (Director of the Asia Program at FPRI and Professor of Law and Political Science at the University of Pennsylvania), Aaron Friedberg (Professor of Politics and International Affairs at Princeton University), Bonnie Glaser (Senior Fellow in China Studies at the Center for Strategic and International Studies), Paul Goldstein (FPRI Senior Fellow), Kyung Hoon Leem (Professor of Political Science and International Relations at Seoul National University), T.J. Pempel (Professor of Political Science, University of California at Berkeley), Gilbert Rozman (FPRI Senior Fellow and Professor of Sociology at Princeton University), Richard Samuels (Professor of Political Science and Director of the Center for International Studies at MIT) and Vincent Wei-cheng Wang (Professor of Political Science, University of Richmond). Articles based on several of the presentations at the conference will appear in the Spring 2011 issue of *Orbis*.

**CHINA’S HOLLOW MULTILATERALISM AND WEAK REGIONAL MULTILATERAL SECURITY MECHANISMS**

Gilbert Rozman argued that multilateral mechanisms for addressing security issues in East Asia are weak and that a key reason is the hollowness of China’s ostensible and much-touted commitment to multilateralism. This is especially troubling when the region faces major security challenges and regional relations (and China’s approach to them) appear to be moving from “economics in command” to “security in command.”

Panelists agreed that the Six Party Talks on North Korea and the emergent East Asia Summit were the most significant examples of multilateral regional security arrangements. Rozman argued that the Six Party Talks were important for understanding contemporary great power relations in the region and that they demonstrated the thinness of multilateralism in regional security and China’s approach to it. Panelists also agreed that earlier hopes had been dashed that the talks might lead to dismantling North Korea’s nuclear weapons program—something that had never been a priority for Beijing. Prospects for more modest progress faded as it became clear that China was unwilling to bring much pressure to bear on North Korea beyond agreeing to modest sanctions. Tellingly, Beijing recently recast its relations with Pyongyang in a more positive light, defended the legitimacy of the Korean War. It has also blamed Washington and Pyongyang roughly equally for the crisis on the Korean peninsula. China’s goals in supporting restarting the talks are not to seek multilateral pursuit of solutions to a dangerous regional problem but rather to: increase its own influence with an ever-more-dependent North Korea; improve North Korea’s security and thus Pyongyang’s negotiating position and prospects for advancing China’s interests in a future process of Korean reunification; marginalize South Korea’s role in regional security; and reshape regional security consistent with Beijing’s preferences, including a shrunken U.S. role and weakened alliance system. Glaser largely concurred and added that China always has seen the Six Party Talks as a means to forestall U.S. military action against North Korea. He noted also that the Six Party Talks now might be the principal regional arena in which China will be more proactive, possibly pursuing the regional security-reshaping ends Rozman described.

<sup>1</sup> Two passages in brackets update the report to include developments since the conference was held.

The East Asia Summit (EAS) offered the most promising, but still only limited and nascent, hope for multilateral approaches to regional security. Rozman noted that its virtues included engagement of the great extraregional powers (the United States, India and Russia), regional middle powers (Indonesia, Australia and others) and the usual leader of regional multilateral cooperation, The Association of Southeast Asian Nations (ASEAN). Secretary of State Hillary Clinton's praise for the organization as a means to address nuclear proliferation, maritime security and climate change was a promising sign. Especially amid renewed, more multilaterally oriented U.S. engagement in the region, the EAS could play a constructive role in peacefully integrating a rising China. This might include providing an institutional means for counterbalancing China's growing power and assertiveness. But prospects remain far from bright. Rozman cautioned that the EAS might not move beyond a façade of multilateralism fronting an organizational vacuum. A robust role for the EAS would require China to be much more accepting of EAS-centered multilateralism than Beijing has so far indicated it is likely to be, especially in a period when China sees itself—and largely has made itself—more isolated in regional security affairs. A strong EAS would also require coordination within ASEAN, whose members have diverse security interests and security relations with the United States. Glaser pointed out that potential flashpoints in regional security (which are in EAS non-member areas) are likely to be addressed by other means: any renewed tensions in the Taiwan Strait by the key interested powers the United States, Japan and China; and an unsmooth power transition in North Korea by the other five parties to the Six Party Talks, provided that they can overcome China's resistance to cooperative planning for dangerous contingencies of political collapse in an economically destitute country with nuclear weapons.

Rozman argued that the once seemingly promising trilateral relationship among China, Japan and South Korea has foundered. Although hopes for deepening trilateral economic ties, including a free trade arrangement, remain, prospects on the security side have dimmed. Beijing enjoyed much leverage with Seoul based on South Korea's economic dependence on China. China received much of what it could reasonably have hoped for on territorial and other issues. Beijing benefited from new leaders in Seoul and Tokyo, who were relatively favorably disposed toward China and ideas of an East Asian community. China nonetheless has grown frustrated with what it sees as insufficient concessions from the other parties, re-strengthening of Japan's and Korea's security ties with the United States (partly in response to China's growing power and assertiveness), and increasingly negative views in China toward South Korea and Japan (especially with the fading of short-term Premier Hatoyama's initial pursuit of a more Asia-centered foreign policy). Beijing has taken a hard line toward Korea and cast Japan increasingly as a partner in U.S. "hegemonic" efforts to contain China. China's unwillingness to be tougher on North Korea over the sinking of the South Korean naval ship Cheonan and China's strengthening signals that it rejects the status quo for the disputed Diaoyu / Senkaku Islands portend friction and little cooperation over security issues among the three powers.

Other multilateral structures for addressing regional security are unpromising, not least because of China's positions. Glaser noted that the George W. Bush-era attempt to use *Asia-Pacific Economic Cooperation* (APEC) to address proliferation and terrorism was ill-fated. Designed to promote trade liberalization, APEC could not be adapted easily to security issues. Additionally, China opposes any organization in which Taiwan is a member playing a role on security issues. As Glaser also noted, ASEAN-China engagement has not brought multilateral security cooperation. The 2002 agreement to resolve South China Sea disputes peacefully and to adopt a binding code of conduct among interested parties has not come to fruition. Partly reflecting China's preferences, most disputes continue to be addressed bilaterally. In the South China Sea and in the East China Sea as well, long-standing territorial disputes have again become foci of naval confrontation rather than multilateral processes. Rozman characterized the Shanghai Cooperation Organization (SCO) as another example of sham Chinese multilateralism. With China seeing the SCO as a means for managing Russia's role in the region and Moscow being hesitant about multilateralism, the organization holds little promise as a locus for multilateral approaches to regional security.

Rozman argued that "national identity" and, specifically, a deep-seated Sinocentrism offers the most powerful explanation for China's crabbed or Potemkin-like approach to multilateral security arrangements. China's lack of support for meaningful multilateralism is linked to a broader set of attitudes that reject purportedly universal values, seek to delegitimize U.S. roles and U.S.-backed values in the region and see East Asia as a China-centered "China plus" group. These perspectives were evident in China's top-leader-in-waiting Xi Jinping's assertion that the Korean War was defensive and justified, China's snubbing of the Japanese prime minister and characterization of the Japanese seizure of a Chinese fishing boat in disputed waters as the latest installment in a long history of Japanese perfidy toward China. He also denounced the Nobel Peace Prize for Chinese dissident Liu Xiaobo as part of a Western plot to undermine China. DeLisle added that Sinocentrism also might be discerned in Beijing's approaches to the Six Party Talks, China-Japan-Korea trilateralism and the partly ASEAN-centered East Asia Summit. In these areas, China's view of itself as the rightfully central and dominant player is consistent with its sense of its historical role vis-à-vis former peripheral regions, vassal states or purportedly Chinese territory and with lingering resentments over Japanese colonial depredations.

Glaser and deLisle saw Rozman's second explanation—China's sense of its growing hard power and its rise in power relative to the United States—as an equally or almost equally significant factor in understanding China's stances on regional security multilateralism. Glaser pointed to: China's military modernization, especially the navy's acquisition of greater capacities to deny U.S. forces access to the China-adjacent region and to project force to more distant areas; and China's increasing assertiveness in challenging and warning against U.S. surveillance operations in China's Exclusive Economic Zone or naval

presence in the Yellow Sea. Such moves are part of China's moving beyond the first part of Deng Xiaoping's foreign policy dictum to keep a low profile or "bide one's time and hide one's capabilities" to the further admonition, stressed by Hu Jintao, to "actively accomplish something." This portends a less defensive and more assertive role, including in regional multilateral security fora such as the Six Party Talks and the EAS. DeLisle argued that China's approach to such fora was evocative of the hard power politics of the Cold War: where NATO was characterized as a means for keeping Germany down, the United States in and the Union of Soviet Socialist Republics (USSR) out, China seemed to approach China-Japan-Korea trilateral relations as a way of keeping the formidable U.S.-Japan-Korea alignment down, the Six Party Talks as a means of keeping North Korea in existence and China in a pivotal role in peninsula affairs, and the EAS as a mechanism that should not be allowed to undermine Beijing's efforts to keep the U.S. and other extraregional powers out of central roles in regional affairs. Beijing's striking abandonment of its prior pursuit of "soft power" and a "charm offensive" is also consistent with a "rising hard power" account in which China sees such rhetorical efforts as increasingly futile or decreasingly necessary.

Rozman added that Chinese assessments of trends in relative power balances show a growing Chinese pride and confidence that underpin China's more assertive stances on regional security and toward the United States. DeLisle largely agreed but added that a seemingly significant strand in Chinese assessments suggested ambivalence and uncertainty about Chinese power in absolute and relative terms: triumphalist confidence in China's growth rates and weathering the global financial crisis coexist with declarations that China remains a developing country beset with threats to stability and growth; disdain for the perceived shortcomings of democracy abroad and touting of a Chinese model of authoritarian development stand alongside recurrent internal debates about whether China needs more democracy and near-paranoia about Western plots to "keep China down" or to achieve China's "peaceful evolution" into a regime more to the West's liking; and Beijing's demands for a place at the table as a regime-shaping great power clash with demurrals that China is not yet ready to shoulder burdens of leadership in the international system. Glaser argued that hedging behavior by regional states wary of China's rise and China's perception (reinforced by Secretary Clinton's speech in Hanoi) that the U.S. is refocusing its security thinking on East Asia as it begins to wind down its operations in Iraq and Afghanistan are significant developments that offset somewhat the self-confidence born of China's rising hard power.

DeLisle added that, despite the current nadir, China's approach to regional security multilateralism might follow an "N-curve": a relatively weak, newly internationally engaged China lacked the confidence to engage in multilateral processes and preferred bilateral ones in which it could avoid being outnumbered or outmaneuvered; later in the Reform Era, a more powerful, internationally experienced and self-confident China saw tactical and rhetorical advantages in some aspects of multilateralism; more recently, a still-more-powerful, confident-bordering-on arrogant but still-insecure and umbrage-taking China has turned against meaningful multilateralism. Yet a future, more-fully-risen China might be effectively pressured, and willing, to take on more responsible, regional security-supporting roles in which multilateralism may prove more appealing.

Glaser and other participants noted that understanding and predicting Chinese approaches to regional security and multilateralism were further complicated by: the opacity and weak institutionalization of Chinese foreign policymaking; the presence of conflicting views among established policy-influencing groups; the emergence of new and more varied sources of influence (including public opinion) on Chinese policy; and the persisting ability and willingness of top leaders to intervene decisively when they see policies heading in wrong directions.

## THE UNITED STATES IN EAST ASIA: COPING WITH THE CHALLENGE OF A RISING CHINA

Aaron Friedberg argued that U.S.-China relations shape security relations throughout Asia and include elements of cooperation, competition and rivalry. Areas of conflict and competition result largely not from misperception or policy mistakes but from the familiar dynamics of power politics (competition and potential conflict typically arise between a previously dominant power and a fast-rising one) and ideological differences (despite the waning of communism in China, the U.S. distrusts an illiberal and undemocratic regime and China is wary of a "crusading" liberal-democratic superpower). Areas of cooperation stem from shared interests rooted in the benefits of economic interdependence and the costs of any serious U.S.-China conflict. As China's power and assertiveness have grown, however, some prior areas of cooperation have become sources of friction, including the economic relationship, where trade and currency issues rankle, and the Six Party Talks, where the two countries have had fundamentally different priorities.

For two decades, U.S. policy has rightly addressed this long-mixed, and recently negative-trending, relationship with a relatively stable if not consciously designed mixed strategy of "conengagement." On the engagement side, the United States has sought to tame a rising China into being a responsible stakeholder, member of major international organizations, and a generally status quo-supporting actor that does not foment instability. The United States further has sought—with varying degrees of openness and in the face of fluctuating levels of Chinese umbrage—to transform China, encouraging its gradual evolution toward a more liberal order, spurred by the economic development that economic engagement fosters and following the path of South Korea and Taiwan. The containment or balancing side was slower to emerge, becoming clearer after the 1995-1996 crisis in the Taiwan Strait. To this end, the United States has sought to: maintain adequate military capacity in East Asia, shifting resources from other theaters; maintain and reinforce existing alliances in the region, including with South Korea and Japan; and build quasi-alliance relationships with other regional states, ranging from Singapore to India, that

share U.S. concerns about China's rise.

This basic strategy has not changed under Barack Obama. Early on, the new administration sought to: shift emphasis somewhat from balancing toward engagement; broaden the agenda to issues on which cooperation seemed more feasible (such as the global economic crisis or climate change) while downplaying areas of friction (such as human rights); deepening and widening bilateral engagement to the point where some mistakenly foresaw a U.S.-China "G2" emerging at the expense of U.S. relations with allies and quasi-allies such as Japan and India; and promoting mutual reassurance. Such moves did not signal fundamental changes in policy and soon ran into setbacks. Bilateral tensions rose over China's unwillingness to press North Korea on nuclear weapons or the sinking of a South Korean naval ship, the Chinese navy's harassment of the unarmed U.S. naval surveillance ship *Impeccable*, U.S. arms sales to Taiwan, China's declaration that the South China Sea was part of its "core interests," and China's confrontation with Japan over the detention of a Chinese ship in disputed waters. Hopes for cooperation on climate change and currency issues fizzled. China continued its rapid and opaque military build-up, including acquisition of anti-access capacities, anti-ship ballistic missiles, a submarine base and force-projection capability. The tone of Chinese diplomacy toward the United States and others became strikingly arrogant.

Explanations for the increased assertiveness of Chinese policy might include relatively random fluctuations or the more troubling possibility that Chinese leaders are taking a hard line at a time of impending political succession because it is a winning political strategy at home. More likely, the shift reflects a more fundamental change in Beijing's assessment of the relative power of the United States and China. Beijing perceives the United States in at least relative decline, mired in Iraq and Afghanistan, beset by economic flaws revealed in the Global Financial Crisis, and led by a president whom Chinese analysts suspect lacks resolve and a clear vision. This perception of U.S. decline coupled with China's rise has underpinned Chinese assessments that have moved from predictions of the end of unipolarity to the advent of a new bipolar order. Although not free of insecurity, China has a growing sense that it is becoming the predominant, agenda-setting regional power. Although still understanding the benefits of avoiding confrontation with the United States and the need to continue to develop "comprehensive national power" (which depends on a favorable environment for international economic engagement), Chinese strategy shows signs of moving beyond Deng Xiaoping's dictum to hide one's strength and bide one's time. The growing interest in China in touting a Chinese model of authoritarian politics and market economics is one manifestation of this change in attitude.

The Obama administration's recent responses have been appropriate, retaining the basic policy of engagement but shifting back toward the balancing side through such moves as: Secretary Clinton's assertion of U.S. interests and will concerning the South China Sea; a presidential visit to the region that focused on democratic states, not China; and ongoing moves to take advantage of many regional states' growing impulses to balance or hedge against China.

Although bilateral relations have remained stable, strengthening regional security, there could be trouble ahead. First, China might overreach, provoking the more containment-oriented reaction from the United States and others that China seeks to avoid. China may underestimate the resolve of the United States and its allies and thus may fail to pull back from overly aggressive behavior. Second, domestic politics in both countries could bring problems: virulent popular nationalism or a more assertive People's Liberation Army could lead to more aggressive Chinese policies; and U.S. economic difficulties might fuel anti-China sentiment that goes beyond sensible policies to address the challenges China poses as an economic competitor. Third, the U.S. and its allies could "underbalance," spending too few resources and making weak commitments to strategic cooperation. Several factors make this a real possibility: an appropriate response is burdensome at a time of constrained resources and is politically difficult to achieve; other states in the region will not act without the United States taking the lead; China will seek to deter necessary moves by arguing—as it has to significant effect in the past—that they would be destabilizing; and the United States has been slow to recognize the existence and significance of China's development of asymmetrical military capabilities and the wrenching changes in U.S. strategy and defense spending that it will require. Although China has good tactical reasons for trying to walk back its recently more assertive, even aggressive, gestures, it faces limited prospects for success given the increased recognition abroad of China's much-increased capability.

#### JAPAN'S DIFFICULT QUEST, AMBIVALENT AIRS AND SHIFTING ROLES IN REGIONAL SECURITY

Japan's influence has waned and its agenda had become more complicated and ambivalent in regional security affairs in recent years. T.J. Pempel argued that the Cold War era had been a "sweet spot" for Japan. Largely recovered from the economic and international political consequences of its role in World War II, Japan had enjoyed: a flourishing economy that was strongly linked to the United States but also influential in Asia as a leading provider of development assistance and a key foreign investor whose contribution led to region-wide economic development that was vital to winning the Cold War in East Asia; a close security relationship with the United States that provided a security umbrella and space to focus on economic development and, at the same time, improving relations with regional states, as reflected in the normalization of Japan-South Korea relations and Japan-China relations; and membership and active participation in the postwar order's vast range of rapidly proliferating multilateral institutions. In Japan's foreign policy, there was a relatively easy balance and little tension between regional multilateralism and U.S.-Japan bilateralism, economic and security elements, and identification with the West and engagement with Asia.

With the end of the Cold War, the bursting of the Japanese economic bubble in the early 1990s and the rise of China as an economic and military power, this happy situation ended. Pempel, Richard Samuels and Paul Goldstein pointed to several factors that contributed to this change. First, the economic foundations for Japan's international roles deteriorated markedly as Japan entered its sluggish "lost decade," China's economic clout grew exponentially, Japan's share of world GDP sank back to 1970 levels, and Japan's shrinking share of world trade reoriented sharply from the United States toward China and other East Asian economies. In the Asian Financial Crisis of 1997-1998, Japan took a leading role in backing the Asian Monetary Fund (AMF), as a regional multilateral response, but Japanese efforts faced opposition from the United States, the International Monetary Fund (IMF) and others who favored a more universal, less region-focused approach and were wary of the AMF as a vehicle for parochial Japanese agendas. Japan's ongoing efforts to support emergent regional, primarily economic arrangements (ranging from the Chiang Mai Initiative on currency stability to free trade agreements to various "ASEAN plus" structures to the EAS) are increasingly in tension with Japan's long-standing support for universal and trans-Pacific fora. Moreover, most such arrangements accord China a more central and influential role than Japan's. Partly, this reflects decline in Japan's relative capacity that seems likely to continue in the wake of the global economic crisis that began in 2008 and continues to reshape the international economic landscape. But it also reflects rising Chinese assertiveness (particularly in matters of regional economic integration) and Japanese ambivalence toward regionalism (which has led to Japan "punching below its economic weight").

Second, shifts in U.S. foreign policy agendas after 9/11 and China's rapid rise as a regional power have unsettled the prior balance between economic and security issues in Japan's foreign policy. Under Prime Minister Junichiro Koizumi, security policy (which consistently had been less multilateralist than foreign economic policy) assumed greater prominence. It included closer alignment with Washington's agenda, including expanded overseas roles for the Japanese Self-Defense Forces in support of U.S. efforts in Iraq and Afghanistan. It also included sharpened confrontation with North Korea and prime ministerial visits to the Yasukuni Shrine that prompted criticism, especially from China and Korea, of resurgent Japanese nationalism and denial of war guilt. Prime Minister Shinzō Abe embraced the notion of a "beautiful Japan," which critics in Asia derided as another embrace of a distasteful Japanese nationalism. Prime Minister Taro Aso followed Abe with calls for an "arc of freedom and prosperity" that affirmed Japan's alliance with liberal and democratic values shared by the United States, Australia, India, and others in the region, but that Beijing read as part of a U.S.-led effort to contain China. The coming to power of governments led by the Democratic Party of Japan, ending the nearly uninterrupted postwar hegemony of the Liberal Democratic Party, brought additional instability on security policy. Prime Minister Hatoyama's push for more Asia-centered policies and tensions between Washington and Tokyo over the U.S. military air base at Futenma on Okinawa brought expectations of serious deterioration in bilateral security relations. After the end of Hatoyama's brief tenure, China's confrontational approach to Japan's seizure of a Chinese fishing vessel in contested waters and Beijing's hardened line on the long-festering issue of sovereignty over the Senkaku / Diaoyu Islands (and the U.S.'s clarification of its support for Japan and the status quo), fears of a downward trajectory in U.S.-Japan security ties abated.

Richard Samuels argued that some of the seeming uncertainty in Japan's approach to security policy stemmed from taking "values" too seriously, relative to "interests," in analyses of Japanese foreign policy. The former often were little more than cover for the latter. For example, the "arc of freedom and prosperity" excluded China, as made sense from the perspective of either values or interests, but it also pointedly excluded South Korea, which made little sense in terms of values but more in terms of interests. So too, principled commitments to multilateralism could not be expected to matter much when they did not align well with assessments of national interest. Pempel largely agreed but argued that effective multilateral security institutions still could have an impact, reshaping preferences and even the interests of participants.

Samuels identified another source of apparent instability in Japan's security policy: the impact of domestic politics. This included an unresolved debate about fundamental issues in national security policy. It also included heavy pressure to make the issue of Japanese nationals abducted to North Korea the top priority for Japan in the Six Party Talks—a move that undermined multilateral cooperation on the most dangerous regional security issue by putting Tokyo out of step with Washington, Seoul and Moscow. Goldstein added that the domestic politics of Japan's security policy is further complicated by: the outsized impact of Japanese perceptions of shifts in Washington's view of the relative importance of Japan and China (and of good relations with either state); and the relative inexperience of the Democratic Party of Japan as a ruling party and the Liberal Democratic Party as an opposition party.

Third, the persisting crisis on the Korean Peninsula and China's growing power and assertiveness have disturbed the prior balance in Japan's alignment with the West and focus on the East Asian region. The North Korea problem and Japan's troubled engagement with the Six Party Talks have made Japan-Korea relations loom larger in Japanese foreign policy, with Pyongyang's harping on Japan's colonial "plunder" and abuse resonating with the South Korean public and Prime Minister Kan's steps to align Japan more closely with South Korea through apologizing for Japanese colonial behavior and strongly and promptly backing Seoul on the Cheonan Incident. China's rise has meant that Japanese security policy assessments have increasingly focused on a future Asian order in which a worrisome China is the equal or near-equal of the United States. China's assertive positions on territorial disputes, its apparent willingness to use its economic clout to political ends (including by threatening suspension of vital rare earth exports and harassment of Japanese businessmen), and Beijing's demoting of soft power among its foreign policy tools have heightened such concerns. As Samuels characterized it, Japan is engaged in the

tricky process of crafting a “Goldilocks strategy”—trying to find an optimal (not equal) distance between China and the United States. This requires hedging against a complex set of risks, including: U.S. decline or retrenchment of its military commitments in the region; Japanese entanglement in costly U.S. adventures abroad that do not serve Japanese interests; and anti-Japanese Chinese initiatives aggravated by Chinese perceptions of revanchist or unrepentant Japanese nationalism or Japanese collaboration in an American plot to hinder China’s rise. It also requires adjustments to Japan’s economic and military policies to implement such a strategy effectively.

As Goldstein noted, Japan’s choices are made more complicated by the still-uncertain implications of the U.S.’s shift, accelerated under Obama, from an Atlantic to an Asia-Pacific-focused security policy. Japanese support for potentially fruitful new and old multilateral security institutions is unclear. There is significant risk that Japan will opt, unwisely, to become a more inward looking, less internationally engaged power. It is also possible that Japan, perceiving rising threats from China and North Korea and uncertain commitments from the United States, could develop its own nuclear force. And there is hope that the United States and Japan will again find ways to reinvigorate their alliance and new areas for cooperation (including regional economic development and nontraditional security issues) despite difficult adjustments that this may require on both sides.

#### TAIWAN: FROM REGIONAL SECURITY FLASHPOINT TO BRIGHT SPOT TO WHAT?

Cross-Strait relations have receded as a regional security issue in the two and half years following Ma Ying-jeou’s assumption of the presidency in Taiwan. Nonetheless, Richard Bush argued, Taiwan remains an important issue because: any change in the cross-Strait status quo or new crises in Taiwan-Mainland relations would have great impact on regional security policies, particularly in Tokyo, Beijing and Washington; and China’s handling of the Taiwan issue will tell us much about how China will behave as a great power in East Asia. Vincent Wang questioned the latter assertion, noting that recently improved cross-Strait ties contrasted strikingly with China’s deteriorating relations with most Asian states, and that the conventional wisdom from the earlier period of bad cross-Strait relations and good China-East Asia relations had been that Beijing’s Taiwan policy, suffused with issues of sovereignty, was *sui generis* and said little about China’s broader foreign policy.

Bush contrasted the current positive cross-Strait situation with the decade and a half of souring relations that preceded Ma’s coming to office. During that period, rapidly growing economic interdependence failed to produce progress toward political reconciliation. Mutual distrust dominated. Fearing that Beijing was trying to constrain Taipei’s options and leave no alternative to unification negotiations on terms favorable to China, Taiwan pushed back by asserting claims to sovereignty and seeking to expand its international space. Worried that Taipei was moving toward permanent or *de jure* independence, Beijing increased its military capability and sought to isolate Taiwan diplomatically. This spiral deepened from the latter part of Lee Teng-hui’s presidency through the final years of Chen Shui-bian’s administration. In the closing years of the period, incidents over referenda on issues related to Taiwan’s international status, China’s adoption of an anti-secession law and other issues prompted serious concern in Washington that Taipei and Beijing would ignore its calls for restraint and stumble into a conflict that could entrap the United States in a military clash with China.

After Ma took office, the security risks quickly receded as Taipei and Beijing undertook systematic efforts to improve relations. Key steps have included more than a dozen cross-Strait agreements, primarily on economic issues and including the signal Economic Cooperation Framework Agreement (ECFA) that lays the foundation for a free trade area-like arrangement and deeper economic integration. Both sides have wisely been cautious in moving from economic matters to political and security issues. Beijing understands that Taiwanese do not yet support pursuit of accords on those issues. Beijing believes long-term trends are in its favor and, in the near term, it does not want to undermine Ma’s chances for victory over a less appealing challenger in 2012 by pressing for accommodations that would be unpopular with Taiwan voters. Both sides have eschewed setting preconditions for political negotiations that the other side would find unacceptable. The two sides have worked within the flexible framework of the so-called 1992 Consensus and principles of “mutual non-denial” and have embraced a *de facto* diplomatic truce (foregoing the former practice of poaching each other’s diplomatic partners). This has been good news for regional peace and stability and thus for Washington, which has welcomed the relief from the headaches tense cross-Strait relations caused in the pre-2008 period.

Still, Bush argued, a sustained virtuous circle was not assured. Beijing has been cautious, even grudging, in acceding to Taiwan’s quest for greater international space, undermining the goodwill that Beijing has sought to cultivate among Taiwanese. Wang and Bush agreed that Beijing may reject the vaguely defined 1992 Consensus (which has served well in addressing economic issues) as the basis for addressing political and security issues. Beijing may insist instead on the precondition of a “One China Principle” (or a “one China” reading of the 1992 Consensus) that Taiwan has been unwilling to accept and that is narrower than the “One China, respective interpretations” that has been more palatable for Taipei. China’s ongoing acquisition of military capacity to coerce Taiwan pushes Taipei into a closer security alignment with Washington, which fosters distrust in Beijing.

Bush described five scenarios for the future: First, the recent trend of stabilization and building mutual trust (without resolving fundamental disputes) may continue. This possibility is positive for regional security and the United States, creating

a low likelihood of cross-Strait crises and U.S. entanglement. Wang cautioned that too-smooth relations might weaken Taiwan's hand and imperil a currently desirable status quo, in part because it would lend force to Beijing's argument that Taiwan should not seek, and the United States should not offer, major arms sales amid low and falling cross-Strait tensions.

Second, progress in cross-Strait relations might stall. Economic interdependence would continue to deepen but there would be no movement toward accommodation on political and security issues. China might resort to unilateral pressures on Taiwan. Taiwanese leaders and public opinion might return to a "Taiwan first" posture. This prospect is not necessarily bad for regional security and U.S. interests. It allows for continuity in U.S. policy and does not require a return to the difficult, pre-2008 "dual deterrence" policy. On the other hand, Wang argued, if Beijing attempts to use its enhanced economic leverage to political ends, the recent advances in economic relations could become a source of conflict in Taiwan and cross-Strait relations. DeLisle added that the positive tone in cross-Strait relations might depend on continued progress, which becomes more difficult as the focus shifts from "easy" and "economic" issues to "difficult" and "political" ones. Stalling of progress risked deterioration from current baselines.

Third, and less likely, the opposition Democratic Progressive Party might return to power. Although stopping short of Chen Shui-bian's crisis-producing moves, a DPP-led government could engage in symbolic gestures that resurrect Beijing's fears of creeping Taiwan independence. This scenario poses greater challenges, making it difficult for the United States to play a stabilizing role by maintaining good relations with both sides. And the U.S.'s pre-2008 ability to influence China will have waned with China's waxing power and assertiveness. Wang countered that a DPP that could win in 2012 might well bring to power a government that differs little from Ma's in concrete cross-Strait policies (although it likely would insist all options—from independence to unification—remain open as ultimate solutions). [This prospect has gained credibility after the late November elections for mayors of five major Taiwanese municipalities: the DPP won more votes (although fewer seats) than the KMT, and DPP chairperson Tsai Ing-wen, who has been pressing a moderate line on cross-Strait issues, consolidated her position as party leader and frontrunner for the 2012 presidential nomination.] If the DPP wins the 2012 presidential vote but China maintains its prior distrust of the DPP, the United States will face more difficult and complex policy choices.

Fourth, and unlikely, cross-Strait relations might move toward resolution of fundamental political issues through some formal arrangement of unification. If this means unification on accommodating terms for Taiwan, it would be a positive signal about China's behavior as a major power and a positive development for regional security. If unification were to take a different path and result in stationing Chinese military forces on Taiwan, the shift in regional security alignments would create uncertainty, would be adverse to U.S. interests and would require big adjustments in U.S. security policy. Wang and deLisle noted a significant impediment to peaceful unification on whatever substantive terms: most of the existing models for a formal resolution of sovereignty questions have been unacceptable to one or both sides.

Fifth, and also not likely, Beijing could lose patience with Taiwan's preference for the status quo and use coercive means to compel Taiwan to accept an outcome favored by Beijing. This likely would bring a regional security crisis, would indicate the failure of U.S. efforts to encourage China's emergence as a constructive participant in the regional and international order, and would pose difficult challenges to the U.S. as the perennial provider of regional security public goods and a relatively weakened power confronting a rising and aggressive China. The risks for regional security under this scenario are greater still if China underestimates the United States'—or Taiwan's—capacity and resolve to defend the status quo.

Bush concluded that the relative likelihood of each scenario depends not only on relatively clear trends and enduring influences but also on several less predictable factors, including: how quickly China accumulates power that could be used to pressure Taiwan and upset recently stabilized cross-Strait relations; how China chooses to use its growing power and influence; whether the United States has the will and maintains the capacity to continue to supply security public goods in the region; and whether Taiwan can overcome unfavorable demographic, economic, social and budgetary trends to invest in strengthening its economic, military, diplomatic and psychological resources to address the multifaceted challenges posed by China. Wang noted that U.S. policy has seemed "passive" and "on auto pilot" during the Ma-era and that deepening cross-Strait economic relations mean that U.S. economic influence with Taipei is declining. Bush responded that the Obama administration had hoped to play a more active role, including by promoting liberalization of U.S.-Taiwan economic relations, but that competing demands and political opposition had limited its ability to do so.

#### **KOREAN UNIFICATION, NOT NORTH KOREAN REFORM, AS THE PATH TO REGIONAL SECURITY?**

Victor Cha argued that prospects for change in North Korea and, thus, reduction in threats to regional security, lay more in rising prospects for Korean unification than in scant hopes for reform inside North Korea. Cha identified several factors that have made unification a more salient idea than at any time in the last decade. First, Kim Jong Il's failing health and his youngest son's and designated heir's uncertain grip on succession mean greater risk of political instability in North Korea that could bring discontinuous change, including reunification.

Second, it has become clear that the Six Party Talks and other diplomatic efforts will not produce denuclearization and reduction of the regional security threat posed by Pyongyang's weapons program. North Korea's rebuffing of the Obama

administration's outreach efforts, recurrent missile tests and nuclear tests, the sinking of the South Korean naval ship Cheonan [and the North Korean shelling of a South Korean village on Yeonpyeong Island] have made clear that the path to denuclearization lies through unification not negotiation.

Third, the current and likely future leadership in Pyongyang is incapable of reform, making regime collapse a more likely scenario and unification a more likely route to meaningful change. Despite his greater exposure to the West and notwithstanding assurances from official media that Kim Jong Un is a "brilliant genius" who is "wise beyond his years" and blessed with "high tech twenty-first century knowledge," he is unlikely to be a successful reformer. The regime is fatally dependent for legitimacy on ideology and, specifically, a neo-Juche ideology that: emphasizes the military and leans heavily on the accomplishment of North Korea's becoming a nuclear power; and blames poor economic performance on past experiments with economic reform. Reform would risk collapse because it requires opening up and relaxing the political controls that have kept the regime in power. That is a risk the leadership has been unwilling to take. Even if a new top leader in Pyongyang were to seek reform, he likely would face resistance from a military and bureaucratic elite that is even more cut off from the outside world than was the case in earlier generations. This elite likely has become even more wary of reform with the collapse of Soviet-style regimes in Europe and Asia and the near loss-of-control by the Chinese regime amid the Tiananmen protests.

Fourth, the North Korean regime has become heavily dependent on Chinese support, material and political-diplomatic. For now, Beijing seems content to play this role, but its patience will not be unlimited. Factors likely limiting Beijing's indulgence include: frustration with Pyongyang's unwillingness to pursue Chinese-style economic reforms that could make North Korea more viable; and the rising diplomatic costs to China of being seen as, first, responsible for a regime that engages in reckless and provocative acts and, second, an impediment to the possibly growing and internationally appealing prospect of Korean unification.

Finally, thinking about how unification might occur has shifted to scenarios that are more palatable and feasible in the eyes of key parties, including South Korea, the United States and Japan. During the Cold War, the imagined mode of reunification was conquest, requiring a use of force that most would see as unacceptably costly and risky today. After the Cold War, the principal model was unification by absorption, but the difficulties of German reunification and the reduced economic circumstances South Korea faced after the Asian Financial Crisis made that prospect unthinkable hard and expensive. Thereafter, the prevalent view in South Korea was that unification was best postponed and pursued very gradually through policies that could slowly narrow the gap between the two Koreas. (This thinking underlay the Sunshine policy.)

More recent discourse about unification is fundamentally different, Cha argued. First, it is pragmatic, reflecting not an ideology of subverting or transforming the North Korean regime but rather soberly addressing the real possibility of instability in the North and the inadequacy of negotiations with an independent North Korea as means for addressing a serious security threat. Second, South Korea's approach to unification is now more open, transparent and internationalist. What had once been walled off as an intra-Korean problem is increasingly treated as one in which the outside world, and its material and political resources, have legitimate and productive roles to play. Third, unification is increasingly premised not on power but on the power of liberal and democratic ideas and their taking hold in North Korea. To the extent that this occurs, it will lay a foundation for successful reunification under a South Korean-style regime. Fourth, reunification is increasingly conceived as being about opportunities, not threats. Properly prepared for, unification is a highly positive sum game for Korea, East Asia and beyond and, thus, an outcome for which it is worth bearing costs and risks. Although little has been done so far to achieve it, such sound preparation is essential because, Cha cautioned, if and when unification comes, it is likely to come suddenly.

Kyung Hoon Leem was more skeptical about the prospects for unification on the peninsula. Although agreeing that reforms were unlikely in what he characterized an extreme case of a "neo-traditionalist" regime, Leem argued that this conclusion implied that regime collapse (due to internal or external factors) was the most likely route to unification. We understand little about when and why such regimes collapse, and the leadership in North Korea has derived from the collapse of other Leninist regimes a determination to avoid such a fate and likely some lessons about how to do so. Moreover, Russia's and, more importantly, China's opposition to a unified Korea governed by a U.S.-allied regime in Seoul remains significant. Russia and, more importantly, China are thus likely to support continuation of the Kim dynasty or a post-Kim North Korean leadership that leans ever more heavily on Beijing. As China rises in power and sees its interests and preferences in the region as adverse to those of the United States, formidable Chinese moves to stave off unification can be expected.

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