

Russia, America, and Security in the Asia-Pacific

The book cover features a stylized map of the Asia-Pacific region in shades of orange and yellow against a blue background. A laurel wreath, a symbol of peace and honor, is draped across the map from the bottom left towards the top right. The map includes labels for 'Vladivostok' on the Russian coast, 'United States of America' on the western coast of North America, and 'Hawaii' in the central Pacific. The title is prominently displayed at the top in a white, serif font with a drop shadow.

EDITED BY ROUBEN AZIZIAN AND BORIS REZNIK



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Russia, America, and Security in the Asia-Pacific

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Dear Readers,

This volume is the outcome of collaborative efforts by Russian and American scholars and experts. The publication of this book was made possible by cooperation between Far Eastern National University (FENU, Vladivostok, Russia) and the Asia-Pacific Center for Security Studies (APCSS, Honolulu, USA), which jointly conceived and carried out the project *Russia, America, and Security in the Asia-Pacific*.

The volume, which is published in both Russian and English, is the product of meetings and discussions that took place in Vladivostok and Honolulu. Vladivostok is the main base for the Russian Pacific Fleet and Honolulu is home to the US Pacific Command headquarters, but these are also places in which major academic institutions are active. In the present era of globalization and growing interdependence, intellectual, academic, and educational exchanges are increasingly important in contributing to international peace and security.

In the eastern part of Russia, FENU is a hub for transnational interactions. Scholars at FENU have been successfully collaborating not only with their counterparts in academic and research institutions but also with members of government agencies in a number of Asia-Pacific countries, such as ministries of education and foreign affairs. At FENU, we have the Inter-regional Institute for Social Studies, which focuses on Asia-Pacific security issues and which serves as a meeting point for people and ideas.

Universities and other academic communities play an important role in promoting cooperation and better understanding among the nations of the vast Asia-Pacific region. No doubt, the

FENU–APCSS joint project will make a significant contribution to Russian–American dialogue on Asia-Pacific security.

The participants of the project, whose papers are collected in this volume, are leading specialists on international relations in the Asia-Pacific region and policies of key regional actors. Each topic is represented by two papers—one authored by an American and the other by a Russian expert—which allows the reader to assess and compare Russian and American approaches to major issues of regional politics. After reviewing the chapters of the volume, one can conclude that both Russia and the US are vitally interested in maintaining and reinforcing peace and stability in the Asia-Pacific region, which creates a solid foundation for their constructive interaction in the area. We at FENU wish to continue to assist in developing such a positive partnership.

Vladimir Kurilov
FENU President

Dear Readers,

Thank you for your interest in this volume, which includes various American and Russian perspectives on key security issues within the Asia-Pacific region. The publication of this unique book is possible thanks to the dedication and motivation of a few members of the faculties and staffs at the Asia-Pacific Center for Security Studies (APCSS) in Honolulu and Far Eastern National University (FENU) in Vladivostok. The demand for a collective work on this topic, produced by American scholars based in the Asia-Pacific region and Russian experts based in Russia's Far East, has existed for quite some time. Meeting this demand, however, required a group of enthusiasts who were prepared to spend time and effort to make the project a reality. We are indebted to them for this vital contribution.

After the breakup of the USSR, it became clear that the market-oriented development of Russia's eastern regions was impossible without better interaction with countries in the Asia-Pacific. The Americans believe that a democratic and economically ambitious Russia should play an active role in Asian as well as in European affairs and that the US and Russia can only gain from extending their partnership and cooperation to the Asia-Pacific region. Those fundamental beliefs were confirmed, in one way or another, during the conference discussions between the project's APCSS and FENU participants, and they are explained in the 14 chapters of this book. The implementation of steps toward enhanced security-cooperation goals, however, remains problematic and debatable. Therefore, projects like this one are very useful for helping Asia-Pacific security practitioners and policy makers identify both impediments and opportunities, close gaps, narrow differences of

opinion, and stimulate better cooperation between our countries in the Asia-Pacific region.

The partnership between the APCSS and FENU has been steady and promising, despite differences in the purpose and background of our institutions and the logistical difficulties in arranging mutual exchanges. Those differences and difficulties become secondary when we realize each other's value in reaching out to interested audiences, providing unique educational experiences, and, most importantly, expanding a regional community of security influence that shares a mutual concern for a secure, predictable, and friendly Asia-Pacific region.

E. P. Smith

APCSS Director

Introduction

Russia, America, and Security in the Asia-Pacific

Rouben Azizian and Boris Reznik*

This edited volume is the outcome of a joint project between the Asia-Pacific Center for Security Studies (APCSS) in Honolulu and Far Eastern National University (FENU) in Vladivostok that was designed to analyze, evaluate, and compare Russian and American perspectives on selected topics of Asia-Pacific security. The participants of the project presented their final papers at a workshop in Honolulu on 2–4 May 2005, which followed a preliminary task-setting joint roundtable that took place in Vladivostok in May 2004.

In addition to the APCSS and FENU experts, the project brought together senior Russian and American government representatives, diplomats, and defense officials. The contributions to the project by Victor Gorchakov, Vice-Governor of the Maritime Region (Primorskiy Krai), and John Mark Pommersheim, US Consul General in Vladivostok, were particularly noteworthy and indicative of the importance attached to the project by both the Russian and American sides.

This volume includes 14 chapters on seven topics written by seven American and seven Russian experts. The opinions expressed in the chapters are those of the authors and do not necessarily reflect the official policies or positions of their organizations and governments.

* *Rouben Azizian, professor at the Asia-Pacific Center for Security Studies, and Boris Reznik, Vice-President of Far Eastern National University, are the co-coordinators of the project.*

The goal of this introduction is to summarize some of the key findings of the 2005 Honolulu workshop, as expressed either in writings found herein or through verbal exchanges. Participants at the workshop examined 1) the main challenges and opportunities facing Russia and the Russian Far East in regional affairs, 2) Russian and regional perception of the United States' policy in the Asia-Pacific, 3) the state of Russia's and the US's bilateral and multilateral relations in the region, and 4) the major areas of common concern between the US and Russia in the region. The workshop participants also discussed how US–Russian relations in the region could be enhanced for the benefit of regional security and stability.

Russia and the Russian Far East consider the Asia-Pacific region to be vital for ensuring the country's sustained economic development, comprehensive security, and influential foreign policy. There are at least four areas of Russia's regional involvement in the Asia-Pacific that potentially could significantly advance Russia's presence in the region: energy supplies, transportation services, arms trade, and partnership between regional and subregional groupings.

Russia is taking advantage of Northeast Asia's growing dependence on oil and gas. Moscow expects to raise crude exports to the Asia-Pacific region tenfold by 2020 as Russia taps oil and gas fields in eastern Siberia and the Far East. Output from the Sakhalin Island shelf off the Pacific coast is expected to increase to as much as 26 million tons per year by 2010. Russia is not content with being purely a supplier to the Asia-Pacific, and it hopes to shape energy security and cooperation in the region through what President Vladimir Putin calls “a new energy configuration in the Asia-Pacific region.”

In the future, the Asia-Pacific region will continue to be the largest buyer of Russian weapons. More than 70 percent of Russian arms are sold to China and India. Moscow is trying to diversify its Asian arms trade and has been successful in increasing its sales to ASEAN member states, particularly Malaysia, Vietnam, and Indonesia. The possibility of EU arms supplies to China or US arms exports to India has alarmed Russia, but to a limited extent because of its solid and long presence in the Chinese and Indian markets.

Russia has grown increasingly interested in multilateral mechanisms for security and economic integration in the Asia-Pacific. By doing so, Russia expects to increase its role in regional affairs at a time when Russia's national power remains limited and constrained after the breakup of the USSR. Involvement in the Asia-Pacific will also help to avoid overdependence on single partners, such as China. At the same time, Moscow's strongest lever in promoting multilateral cooperation or partnership between subregional groupings appears to be the Shanghai Cooperation Organization, in which Beijing is the other co-driver.

A considerable gap continues to exist between Moscow and the Russian Far East in risk assessment and partnership choices. The Far Easterners are concerned that the Federal Government has not decided yet what it wants to do with the region: promote settlement of the area and retention of its population or just make use of its natural resources. The centralization of power in Russia has exacerbated the rivalry between different regions of the Russian Far East for Moscow's attention and for foreign investment. The two most populous and economically developed areas of the region—Primorskiy krai and Khabarovskiy krai—have different approaches

to economic development and integration into the Asia-Pacific and demonstrate little coordination in achieving those goals.

US–Russian understanding and interaction in the Asia-Pacific region is uneven. In the foreign policy arena, the most notable success is both countries' involvement in six-party talks on the North Korean nuclear issue. Contentious issues include Washington's worries about Russia's arms sales to China and Moscow's concern that America's missile defense plans in the region will be destabilizing. The potential for closer cooperation between Russia's East and America's West remains underexploited. While the US investment in the Sakhalin oil and gas projects is encouraging, the number of US businesses operating in the Russian Far East generally has declined.

Russian attitudes about the U.S.'s role in the Asia-Pacific region are mixed, but positive overall. Unlike in Europe, where the process of NATO expansion and a series of liberal revolutions in the former Soviet republics led to tension in Russo-American relations, the bilateral relations in the Asia-Pacific are conducted in a different geopolitical context. There is a strong opinion in the Russian Far East that America's economic and political presence would help diversify and balance Russia's interactions with regional powers, particularly when serious suspicion about China's designs for the Russian Far East remains.

China is becoming a much more influential actor in Asian affairs because of its growing economy and its successful bilateral and multilateral diplomacy in the region. The stability and prosperity in the Asia-Pacific region depend not only on the state of relations between Washington and Beijing but also on the compatibility of the two countries' perspectives on regionalism. The US and China appear

to be competing more than cooperating in the formation of regional institutions. Currently, Russia is benefiting from its partnership with China in the process of regionalization of the Asia-Pacific, but Russia is also wary of efforts by China to limit certain regional forums, such as the East Asia summit, to “purely” Asian countries.

Japan’s more assertive strategic posture in regional affairs is problematic to Russia. Russia would have been much more supportive of Tokyo’s increased role in Asia-Pacific security if the two countries had resolved their dispute over the “Northern Territories.” A rapprochement with Japan would strengthen the hand of Moscow in dealing with a “rising” China. However, Russia’s federal and regional authorities are increasingly frustrated by Japan’s intransigence and “stubbornness” on the territorial dispute.

The crisis on the Korean Peninsula represents both a challenge and an opportunity for the regional community. Neither the US nor Russia want to see a nuclear North Korea or a chaotic and destabilizing collapse of the North Korean regime. However, there is no consensus on how best to avoid these scenarios—through engaging or confronting North Korea. Russia’s preference is for engagement. However, the lack of a consensus on how to approach the North Korean nuclear threat may effectively put Pyongyang in control of the negotiating process.

The project’s participants proposed some recommendations for policy makers

The transnational, economic, and ecological security challenges facing the Russian Far East offer the US numerous opportunities to engage

in bilateral and multilateral cooperation. The US has implemented several innovative programs in the RFE in areas such as military medical cooperation, NGO assistance and civil society development, Coast Guard-Border Guard anti-poaching cooperation, and nuclear submarine decommissioning. These efforts, however, are relatively modest and should be viewed as stepping-stones to future initiatives. Potential areas for cooperation in the region between the US and Russia include joint military exercises with the Russian Pacific Fleet, coordination in implementing the Proliferation Security Initiative, maritime patrol and Exclusive Economic Zone enforcement, active participation in energy and transportation projects, and development of civil society.

Bilateral US–Russia relations need to have a greater focus on the Asia-Pacific. New powerful factors, such as the continuing rise of China, are at work in the transformation of the Asia-Pacific region and are of concern to both the US and Russia. Thus, the US and Russia should, for example, consult regularly on issues such as: formation of a permanent security dialogue in Northeast Asia, evolution of multilateral institutions, and focus of various forums and initiatives, some of which are exclusive of Russia and the US.

The unique APCSS–FENU forum, with the participation of government and military representatives from both countries, provides one such channel for periodic exchanges of perspectives, opinions, and ideas about security and confidence-building in the Asia-Pacific and possible collaborative efforts to enhance regional peace and stability. It helps harmonize the security perspectives of US and Russian officials and experts and helps them better appreciate each other’s security concerns and policies. The continued activities of

this bilateral forum will contribute significantly to stability in the Asia-Pacific region.

Chapter 1

Russia in the Asia-Pacific

Alexander Ignatov*

Introduction

Russia is distinctly interested in Asia-Pacific affairs because more than two-thirds of its territory is situated in this region. Development of the rich natural resources of Siberia and the Far East will be of exceptional importance for the future progress of Russia and the many states of the Asia-Pacific. The population of these areas is small compared to the total population of Russia. This makes it even more important to ensure transparency, predictability, stability, and security along the vast perimeter of Russia's eastern boundaries.

On the whole, inter-state relations in the Asia-Pacific region and the trajectories of their evolution are favorable and meet the fundamental interests of Russia. The developments in the Asia-Pacific deeply affect the political and economic climate worldwide. During recent decades, the economic center of the world has been moving gradually toward the Asia-Pacific, and the international relations in the region are becoming more and more important in global affairs. The EU becoming the main trading partner of the People's Republic of China in 2004 illustrates this point.

* *Alexander Ignatov is Deputy Director of the Department of ASEAN and Asia-Pacific Regional Affairs of the Ministry of Foreign Affairs of the Russian Federation.*

Globalization and Integration

The Asia-Pacific region has considerable experience with economic integration in various formats and in different fields, including participation in bilateral economic agreements and in regional and even trans-regional organizations, such as APEC. Russia plans to become deeply involved in the global and regional economic life of the Asia-Pacific and already has some experience interacting with the Asia-Pacific states.

The countries of the Asia-Pacific are joining global partnerships and are capable of gaining advantages from them. At the same time, they are not turning a blind eye to the difficulties and contradictions associated with negotiating with global partners. Even so, they are not questioning the validity of the globalization process. This approach to the practical aspects of globalization is quite compatible with the Russian point of view.

Asian Goodwill and Tolerance

Russia consistently supports the establishment of a just and democratic world order based on strict observance of the international legal norms, goals, and principles of the UN Charter and on comprehensive security, sovereign equality, and mutual respect for the legitimate interests of all states. The fact that the vast majority of the Asia-Pacific states share this approach seems to explain why peace and stability prevail in the region. Since the Cold War ended, the political situation in the Asia-Pacific has been relatively stable and predictable.

General goodwill and the individual and collective efforts of the states have kept crisis manifestations and risks under control. However, despite this success, the regional situation cannot be described as a simple one. The task of maintaining stability and international security requires that the states of the region practice a vigilant, timely, flexible, and, at the same time, consistent response to emerging challenges.

Through much suffering, the states of the Asia-Pacific region have gained their political and ideological tolerance, which allows them to implement fundamental principles of inter-state relations—the ability to listen to each other, mutual respect for each other’s legitimate interests, and mutually beneficial cooperation. It is worth noting that the interactions between the Asian states are free from ideology and discussions about optimal development models. In this region, the concepts of *multipolarity*, *diversity of the world*, and *multilateralism* prevail (as opposed to *unilateralism* and theories of the *end of history* due to the *clash of civilizations*).

There are no attempts in Asia to challenge Russia’s territorial integrity. Russia’s Chinese and Korean neighbors show foresight in these issues, and only the government of Japan still displays assertiveness in territorial matters. Russia hopes that Tokyo’s position will become more balanced and that efforts to settle the territorial question will be accompanied by steps to broaden Japan’s relations with the Russian Federation.

Potentially destabilizing separatist movements in multiethnic and multireligious Asian states are common. However, if the current stability in these countries continues and if separatist movements do not receive large-scale assistance and support from the outside, the

authorities of Asian states will probably be able to keep separatism under control. In this context, the ability of the countries of the region to continue to advance toward economic progress and development will be crucial. Any truly serious political vicissitudes could have a negative impact on the political process and on national harmony in multiethnic states.

Many Asia-Pacific states have mutual territorial claims, and sometimes these contradictory claims can lead to drastic and even dangerous conflicts. However, these states have practical experience in solving such problems, which helps to avoid military action, material damage, and loss of human life. The agreements on the mutually acceptable demarcation of a huge part of the border between China, on the one hand, and Russia, Kazakhstan, Kyrgyzstan, and Tajikistan, on the other hand, are a good example of this problem-solving skill. India and China also have good prospects for settling their border claims. Although the Southeast Asian countries and China have not agreed on the ownership of the Spratly and Paracel Islands, they have elaborated a Code of Conduct in the South China Sea and are looking forward to arrangements for joint exploitation of the areas in dispute. Russia welcomes the commitment of the countries participating in developing the Code of Conduct because it is an important step in resolving the territorial dispute. Rather than resuming their confrontation over two islands near the east coast of Kalimantan, Malaysia and Indonesia opted to settle their dispute through the International Court of Justice. From time to time, the dispute over the Senkaku Islands ignites, but in words rather than military actions. Today, when inter-state relations in Asia have a

relatively low conflict potential, it is unlikely that territorial disputes could generate a serious challenge to regional security and stability.

Asia's Good Governance

The existing social and political systems and governments in Asian states demonstrate a good deal of internal stability and the capacity to resist crises and other negative developments, including the SARS epidemic, bird flu outbreaks, drastic adverse economic changes, consequences of large-scale natural disasters like the 2004 tsunami, etc. Russia contributes to the global efforts to support the countries of the region in coping with the consequences of natural and man-made disasters.

The internal political systems of Asian countries vary considerably due to natural differences in their historical backgrounds, their cultures, and the levels of their economic development. The countries of the region tend to demonstrate tolerance toward the political systems of different nations and to respect their values and priorities. This tolerance and respect parallels Russia's point of view on how relations between states should be structured in the new millennium.

As a rule, changes in government occur in an orderly fashion in the Asia-Pacific states. For example, in recent years, the transfer of power and changing of the guard have taken place smoothly in China, the Republic of Korea, Vietnam, Malaysia, Indonesia, Singapore, and Taiwan. These peaceful transitions confirm that the situation in the Asia-Pacific remains stable, and Russia is interested in maintaining such stability.

In an overwhelming majority of cases, the states of the region actively and in good faith contribute to promoting fundamental human rights and freedoms and to developing and codifying universal human rights standards. The Asia-Pacific also provides examples of how to combine regional and multilateral efforts to encourage the processes of democratization. Russia welcomes the concerted efforts of the international community in the human rights sphere and believes that the humanistic character of such efforts should not be distorted by attempts to turn human rights into a political issue and to use them to exert pressure on certain states.

Russia's Priorities

Russia's policy in Asia is based on the following principles:

- Rejection of *zero-sum game* rules and adherence to the *balance of interests* formula;
- Consistent reduction of international tension and de-escalation of military confrontation;
- Enhancement of international division of labor and international trade in the Asia-Pacific region;
- Broad participation in multilateral forums and associations of countries of the region, irrespective of differences in ideologies and social and economic systems;
- Priority attention to involving Siberian and Far Eastern regions of Russia in international trade and integration processes;
- Constructive approach to resolving hotbeds of tension, such as the Korean Peninsula, the problem of Cambodia, and the reunification of Taiwan with the People's Republic of China.

Despite many positive developments, Russia, of course, does not turn a blind eye to the many problems that remain in the Asia-Pacific. The region represents an intriguing nexus of new opportunities and challenges.

Economic and Trade Issues

As mentioned earlier, rapid economic development has already turned the Asia-Pacific into a global economic powerhouse, endowing the region with the production and financial power that has twice in the last decade saved the global economy from stagnation and imminent decline. Such economic development contributes to strengthening the domestic resilience of these states and their capability to withstand various threats and challenges. The progress of regional economies and the development of external economic contacts strengthen the interdependence of the countries in this part of the world and serve to prevent the aggravation of conflicts, both existing and potential, between states.

Russia considers the economic success of its regional neighbors, including major powers, as a challenge rather than a threat. These successes have prompted Russia to make better use of the opportunities available for economic development, trade, and investment with the Asia-Pacific countries. Many Asian countries have taken a similar approach, leaving behind their fears of China's fast economic development and trying instead to exploit the opportunities offered by the dynamic growth of China's market.

The economic ties among the countries of the Asia-Pacific are undergoing interesting changes. The Trans-Pacific trade, which, in the 1980s, exceeded the volume of the Trans-Atlantic trade, grew

steadily and is now twice as large. Trade among Asian countries is growing much faster than is their trade with the US. Trade patterns have become complicated, as a considerable part of trade involves intra-company operations. Statistical analysis shows a fairly rapid process of economic integration of the East Asian countries, with Northeast Asia as its center. China, who since 2004 has been the third largest global trade power after the US and Germany, has already become the biggest trading partner of Japan and South Korea. In addition, rates of growth in China's trade with ASEAN countries and India are high. The economic growth of East Asian countries is accompanied by an increase in the capacity of the middle-class market. Today, the middle class of Northeast Asia, Southeast Asia, and India outnumber that of Western Europe, but it still lags behind in terms of purchasing power. The industrial sector of Asian countries long ago ceased to be a provider of services related to assembly and primary operation and became a manufacturer of complex technical products. More than half of China's export volume, for instance, is provided by engineering, electrical, and hi-tech products.

Despite great progress, economic development in the Asia-Pacific region faces certain problems. The implementation of ambitious plans will inevitably increase pressure on the sources of raw materials and will negatively impact the ecological situation in countries of the region. The populations of China and India comprise 37 percent of the world population, and these countries set a goal for themselves to reach a level of per capita consumption equal to that of the US, Western Europe, and Japan in the foreseeable future. Today, China is responsible for 8 percent of the world's oil consumption,

compared to 25 percent, 18 percent, and 7 percent used by the US, the EU, and Japan, respectively. China recently officially announced that in the next five years it plans to double its oil import. Bearing in mind China's plans to quadruple its GDP by 2020 and then increase it another three to four times by 2050 and the energy requirements of India, which possesses no oil of its own, it becomes evident that dramatic changes are imminent in the distribution of energy flows worldwide, especially when world oil production diminishes with the depletion of oil reserves. This underlines the urgent need to regulate and streamline the world's energy production and consumption process and makes it necessary to collectively discuss, with the participation of the expert community, the issues of energy security in Northeast Asia.

Political and Military Situation

The political and military situation in the Asia-Pacific does not warrant concern over the possibility of a large-scale military conflict. The US's security treaties with Japan, South Korea, and Australia provide these three states with a sufficient degree of freedom in managing their international affairs. Russia does not regard these treaties as a direct threat to its interests and recognizes that they played a certain stabilizing role in the past. At the same time, we believe that these political and military ties should act as a safety net or an emergency means of precaution, but nothing more. Rather, the efforts to ensure regional security should be dedicated to elaborating the fundamentals of collective peacekeeping and open-ended security cooperation.

The tendency toward gradual improvement of relations between major powers and their internal stability remain the principal component contributing to peace and security in the Asia-Pacific region. The profile of the new challenges and threats only strengthens the basis for drawing their interests closer to one another. For this tendency to become a reality, consistent efforts are required on the part of all parties concerned.

The strategic partnerships between Russia and China and Russia and India play important roles in strengthening regional stability. The progress in Sino-Indian relations achieved during the past two years has been impressive, and Russia hopes that these two great powers (its strategic partners in East and South Asia) will continue to show goodwill, preparedness for rapprochement, and close cooperation for the benefit of the peoples of Asia.

Russia remains seriously concerned about the unsettled nuclear problem on the Korean Peninsula. The efforts made by the six countries that participated in the negotiation process that began in 2003 in Beijing alleviated, to a certain degree, the situation. Russia steadfastly holds the position that the whole Peninsula should be kept free of nuclear weapons. Convinced that there is no reasonable alternative to a peaceful settlement through negotiations, Russia believes that a solution to this problem would be greatly facilitated by providing Korea with adequate guarantees of security and by creating conditions for its sound economic and social development in exchange for renunciation of its military nuclear program. The most important task at this stage is to ensure that the negotiation process continues and that progress is irreversible; these steps might

make it possible to find compromises and to steadily lessen the gap between the positions of the main players (i.e., Korea and the US) while gradually moving toward settlement of the issue. Russia believes that everything possible should be done to renew the process initiated in 2003 in order to settle the nuclear problem on the Korean Peninsula.

Russia views any attempt to create closed ABM systems as very dangerous for global peace and fraught with irreparable consequences for the countries of the Asia-Pacific. Should such systems be established, they will most likely fail to increase the respective countries' sense of security; eventually they could lead to a situation in which these countries feel more vulnerable to strategic uncertainty. Strengthening and universalizing regimes of non-proliferation of weapons of mass destruction, based on a solid foundation of strict respect for international law, remains a major task for ensuring security and stability in the Asia-Pacific.

Terrorism

To date, terrorism is not as acute and dramatic a problem in Asia as it is in some regions of the world. The majority of the Muslim *umma* in countries such as Malaysia, Indonesia, and Brunei does not accept the ideals of religious extremism and *jihad*; to achieve their objectives the *umma* turns to political methods of expressing opinions. At the same time, the seriousness of terrorism and its destabilizing potential should not be underestimated. Russia believes that the challenge of counteracting terrorism is common for all the Asia-Pacific countries including cases where countries do not have to combat terrorism on their own territory.

In the Asia-Pacific region, places exist where organized separatist fighters are freely operating, getting external support, and engaging in excessively profitable businesses such as drug trafficking and arms smuggling. Moreover, in regions inhabited by Muslims, many natural sources of militant Islam exist in the form of large-scale manifestations of poverty, lack of civil rights, and social and national injustice. Thus, it is likely that the threat of terrorism with a pronounced “international” orientation will grow in Asia, and the task of countering it will progressively become part of the international cooperation agenda. This predetermines the urgent necessity for the states of the Asia-Pacific to develop a system of tracking, monitoring, and early prevention of potential terrorist manifestations and to improve the organizations for coordinating policies and specific actions aimed at the suppression of trans-boundary terrorist activities.

Full compliance with the UN Charter and the generally recognized rules of international law, inadmissibility of double standards and arbitrary approaches, and non-use of force in the resolution of international disputes should remain as indispensable prerequisites for all efforts made to counter terrorism. Russia does not accept the attempts to associate terrorist activities with Islam or with any other religion. The Russian Government welcomes the activities of the regional counter-terrorist center in Kuala Lumpur and believes that its operations will be practically useful and region-wide in their coverage. Russia also welcomes the Australian-Indonesian agreements on the establishment of a counter-terrorist center that will forge intensified regional interaction in opposing terrorist threats. Russia intends to actively participate in the activities of these centers.

Other challenges accompany the problem of terrorism in Southeast Asia. Because piracy at sea and other forms of transnational crime are serious threats to unimpeded navigation in this region and because they finance international terrorism, Russia supports the ASEAN states plans to establish a counter-piracy center in Southeast Asia that would coordinate the actions of respective national organizations engaged in ensuring the safety of sea routes.

Russia feels positive about the ASEAN Regional Forum's (ARF) Inter-Sessional Meetings on Counter-Terrorism and Transnational Crime (ISM on CT-TC) launched a few years ago in Karambunai, Malaysia. Their institutionalization will make it possible to convert the ISM on CT-TC into an organizational framework for cooperation between the states of the region in the anti-terrorist and anti-crime field.

Relations with ASEAN

Russia considers its cooperation with ASEAN a priority for its national policy in the Asia-Pacific. Moscow believes that its cooperation with ASEAN will open new horizons for forming a new cooperative system of political and economic relations in the region. ASEAN endeavors to expand its mutually beneficial relationship with Russia as one of its most important partners. Thus, Russia-ASEAN relations are going well, as indicated by the decision of ASEAN leaders to hold the first Russia-ASEAN summit in Malaysia in December 2005. The summit has taken this partnership to a new level and contributed to a more effective realization of its potential.

Regional Forums

Russia views the proliferation of regional forums in Asia as a positive development that allows the countries' representatives to state their own positions and to get to know their partners' opinions. This process contributes to developing mutual trust and provides avenues for discussing problems and adopting common approaches. One may view these regional forums as a mechanism to absorb the negative sides of globalization, on the one hand, and as a visible regional-level manifestation of the trend toward internationalization of political and economic processes, on the other.

The potential for constructive multilateral interaction is growing with the development of ARF, the ASEAN+10 Post-Ministerial Conferences, and the system of dialogues between ASEAN and its partners, the Shanghai Cooperation Organization (SCO) and Asia-Pacific Economic Cooperation (APEC). Russia welcomes the activities of these institutions because they provide the main sources of regional dialogue and mechanisms of cooperation; Russia will continue to contribute actively to their work. Russia is following closely and with keen interest the evolution of other concepts and institutions of multilateral diplomacy in the Asia-Pacific, including Conference on Interaction and Confidence-Building Measures in Asia (CICA), Council for Security Cooperation in the Asia Pacific (CSCAP), Northeast Asia Cooperation Dialogue (NEACD), the Boao Forum for Asia, the Asia Cooperation Dialogue (ACD), and the Asia-Europe Meeting mechanism (ASEM). Russia also has shown interest in the emerging East Asian Community, which held its first summit in Kuala Lumpur in December 2005.

The potential and accomplishments of ARF are of particular significance. Russia advocates the development of preventive diplomacy within its framework. In the meantime, the experience of other subregional associations, such as the SCO, which includes two ARF members (Russia and China), could be useful in enhancing the productivity of the ARF. The SCO, which has already proved its competence and efficiency in strengthening security and stability in Central Asia, can contribute to the multifaceted interaction with other Asia-Pacific countries and inter-governmental associations and become a key element in the architecture of multilateral regional cooperation. In this respect, it is important to emphasize the initiative of the SCO's Tashkent Summit to develop a network of partnerships among the Asian and Pacific forums and organizations.

Conclusion

Russia is confident that the current problems and challenges faced by the Asia-Pacific region can be effectively addressed through the coordinated efforts of all states and by making their existing international organizations and mechanisms more efficient. Partnerships between countries should be based on equality and mutual benefit, without dividing the partners into *leading* and *lagging behind*. We should move in this direction in a step-by-step manner, with the goal of establishing an integrated system that covers the entire Asia-Pacific and that is commensurate with the objectives of stability, security, and global economic development.

Chapter 2

Russia and the Asia-Pacific: Trends, Threats, and Common Threads

Rouben Azizian*

Introduction

Russia's foreign policy in the Asia-Pacific has been an object of criticism both inside and outside of Russia for more than a century. With the exception of brief periods in history, the region has been secondary to European and American affairs in Russia's foreign policy activity. Mikhail Gorbachev's enthusiastic interest in the region was short-lived and was followed by the Yeltsin–Kozyrev policy of almost complete neglect. This history of neglect led some Russia commentators, such as Stephen Blank, to believe that Russia was incapable of gaining considerable power and prestige in the region.

Despite its many failures, Russia has however recently achieved notable success in its bilateral and multilateral cooperation in the Asia-Pacific. Relations with China have dramatically improved, and cooperation with India, despite earlier gloomy predictions, remains close and promising. Moscow has reanimated its diplomatic presence on the Korean Peninsula and resumed economic cooperation with former communist allies—Mongolia, Vietnam, Cambodia, and Laos. Russia joined APEC even earlier than predicted and has

* Rouben Azizian is a professor at the Asia-Pacific Center for Security Studies in Honolulu, Hawaii.

enhanced its role and profile in the ASEAN Regional Forum and in the ASEAN dialogue process. Together with China, Moscow has institutionalized a new multilateral forum, the Shanghai Cooperation Organization (SCO), which aspires to promote security and economic cooperation that transcends subregional groupings. Finally, Russia, and particularly its Siberian and Far Eastern regions, are attracting increasing interest from their energy-reliant Asian neighbors.

Russia's renewed presence in the Asia-Pacific can be interpreted in several ways. The first, and perhaps still the most popular, notion is that Russia's enhanced activity in the region is tactical rather than strategic; it was prompted by anti-Westernism and immediate economic needs rather than genuine long-term appreciation of the region. The second view is that the general unpredictability of the political and military situation in the region, widespread fears of China, and growing anti-Americanism have helped Russia's entry and integration in the Asia-Pacific. The third interpretation is that a qualitative shift in the socioeconomic conditions and policies in Russia itself is pushing the country toward the region. Unquestionably, it is this last factor that is the most potent of dramatically altering Russia's long history of failure in the region. This chapter analyzes these interpretations bearing in mind Russia's bilateral and multilateral ties in the region.

Regional Perceptions of Russia

In the Asia-Pacific region, Russia—together with China, South Korea, Japan, and the US—is seen as a potentially major player. However, Russia's role is not defined, either by countries in the region or by

Russia itself. Many uncertainties surround the role that Russia could and should play in the Asia-Pacific in general and in Northeast Asia in particular. Japanese diplomat and scholar Koji Watanabe highlights three points regarding this issue: 1) The situation in Russia is unstable; 2) Russia is in the midst of a prolonged process of transformation, the outcome of which is uncertain; and 3) Russia itself has not defined its role in the Asia-Pacific, other than securing bilateral relations with neighboring countries, (most significantly China).¹ This perception was echoed by Konstantin Pulikovsky, Presidential Envoy in the Russian Far East, who admitted that regional partners did not know well enough what the Far-Eastern Federal District really represents. Even Russia's immediate Asian neighbors, such as Japan, China, and the Republic of Korea, continue to view it as still living to an extent within the Soviet ideological parameters. Only gradually they come to the understanding that the reforms that were initiated about ten years ago are now yielding feasible results, and that Russia is entering the stage of civilized market relations. "It is very important for us," concluded Pulikovsky, "to show to our foreign partners what our economic opportunities and intentions really are—so that they would come to trust Russia and, more specifically, Russia's Far East."²

Southeast and Northeast Asia's perceptions of Russia's role in the region differ because the views of countries in these regions are predicated on history, geography, and the degree and nature of Russia's involvement with them. ASEAN countries tend to see post-

¹ Koji Watanabe (ed.), *Engaging Russia in Asia-Pacific*, p. 19, Singapore, Tokyo and New York: ISEAS, JCIE, 1999.

² Interview with Konstantin Pulikovsky, President's Representative to the Far-Eastern Federal District, "We Count on Getting Feasible Results," *Diplomat*, 16 October 2002.

Cold War Russia as a somewhat remote but big power with which they want to have “equidistant” relations. ASEAN countries have successfully pushed for Russia’s membership in various regional forums and have encouraged Russia’s participation. In contrast, the outlook is different in Northeast Asia where Russia has more serious strategic interests and challenges. However a general consensus exists that involving Russia in the Asia-Pacific is far more beneficial than excluding it; having a stake in the region will compel Russia to play a constructive role in regional affairs.³

Like some other Asia-Pacific countries, the US remains unclear about Russia’s motives, sincerity, and consistency in Asian affairs. Gilbert Rozman, perhaps America’s most subtle and objective scholar of the Russian Far East, identifies at least four US goals in the Russian Far East: 1) the Russian Far East must not resume its past role of a militarized security threat; 2) the US does not want any other country to gain substantial control over this part of Russia, and the prospect of China doing so looms far larger than that of Japan; 3), the US regards Russian energy, especially oil, to be a strategic resource and seeks maximum access to it and input into its allocation; and 4) Washington is concerned that regionalism under any other state’s leadership, particularly China’s, could run afoul of US interests.⁴

³ Bilveer Singh, “The Challenge of Positive Engagement,” in Koji Watanabe (ed.) *Engaging Russia in Asia-Pacific*, p. 19, Singapore, Tokyo and New York: ISEAS, JCIE, 1999.

⁴ Gilbert Rozman, “Sino-Japanese Competition over the Russian Far East: Is the Oil Pipeline Only a Starting Point?” in Iwashita Akihiro (ed.), *Siberia and the Russian Far East in the 21st Century: Partners in the “Community of Asia,”* p. 5, Sapporo: Slavic Research Center, Hokkaido University, 2005.

Europe or Asia?

Despite repeated official statements that Russia views European and Asian foreign policy as equally important, real actions do not always support the rhetoric. Even worse, sometimes the rhetoric itself is contradictory and confusing. For example, in October 2003, President Putin stated that Rudyard Kipling's well-known maxim about East-West antagonism was outdated and that "those vectors were equal for Russia."⁵ In the same month, however, he sounded much more European and had to be reminded about Russia's Asian locale when discussing Russia's foreign policy with the *New York Times*. Here is the excerpt from the interview:

Putin: With regard to our relations with the European Union, EU is the major trade partner of Russia, with a trade volume accounting for over 50percent of total trade. Geographically, we are located in Europe.

Question: And in Asia?

Putin: Yes, of course, but the main resources, the human resources, technological and infrastructure, are all concentrated in the European part. Most importantly, by its mentality and culture, the people of Russia are Europeans. We have many common interests with Europe."⁶

⁵ Article by Russian President Vladimir Putin "Russia and APEC: Topical Issues and Prospects for Cooperation," published in *the Wall Street Journal*, *Bangkok Post*, *Straits Times*, *Nihon Keizai*, *Xinhua*, and *Hindustan Times* on October 17, 2003, <http://www.mid.ru>.

⁶ Vladimir Putin's interview with *the New York Times*, 4 October 2003, <http://www.mid.ru>.

Alexander Lukin, a consistent critic of Russia's neglect of Asia, observes that although at least half of all Russians live in Asia, Russians have forged a myth that Russia is a European country and they have fallen victim to their own myth. He also argues that Russia is objectively becoming more Asian, both in its interests and in its problems. "However, no one seems willing to acknowledge this vital fact. Schoolchildren study European history and culture and learn European languages. Disregarding English, which has become an important international language, there are more schools teaching European languages like French and German in Moscow—and in the Far East as well—than those offering Chinese, even though China is one of Russia's most important neighbors." Lukin concludes that the development of Russia's Asian regions, or two-thirds of its total territory, will not be possible unless there is a revolution in Russia's attitude toward Asia and unless "we understand that economic and political partners in the East are of the same importance as those in the West. This revolution will be impossible without a sweeping program to study the languages, history, and culture of Asian countries at all levels, starting with primary and secondary schools. We will have to reform the entire Russian educational system to include Asian languages, history, and culture. They should be studied just as widely in Russia as European languages, history, and culture are."⁷

⁷ Alexander Lukin, "The Chinese Question," *Moscow Times*, 19 January 2005.

Bridge or Axis?

Russia's search for its regional identity also is revealed in the recurring reference to Russia serving as a bridge between Europe and Asia. Past Foreign Minister Igor Ivanov asserted, for example, that "definitively and irrevocably the times are gone when Russia, to use the great Russian poet Alexander Blok's phrase, 'held the shield between two hostile races—Europe and Asia.' In our days Russia plays an entirely different role, that of a connecting link between East and West. That role is determined by the multivector character of Russian foreign policy, in which the European and Asian tilts mutually complement each other in the interest of strengthening the country's positions in the international arena as a whole."⁸ The bridge concept, however, is not shared by the Asia-Pacific countries that have been developing ties with the EU on their own and have perhaps progressed in this endeavor more successfully than has European Russia.

The renewed Russian proposal for a Moscow-New Delhi-Beijing strategic triangle, or axis, is also of interest. Cooperation among Russia, India, and China "would make a great contribution to global security," Russian President Vladimir Putin announced during his trip to India, where he also indirectly accused the US of pursuing a dictatorial foreign policy and setting double standards on terrorism. A unipolar world could result in dangerous trends globally, Putin said, adding that unilateralism increased risks that weapons of mass

⁸ Article by Russian Minister of Foreign Affairs Igor Ivanov in the Journal *Aziya i Afrika Segodnya* (Asia and Africa Today), published in Issue 1, 2004, under the title "Russia in Asia and Asia in Russia," <http://www.mid.ru>.

destruction might fall into the hands of terrorists. A strategic triangle linking Russia, India, and China was first suggested by former Russian premier Yevgeny Primakov in 1998. The idea failed to serve its immediate purpose of preventing the US-led North Atlantic Treaty Organization air strikes against former Yugoslavia. To date, the strategic triangle concept has not come to pass, but Russia, China, and India all have a number of converging interests that could add substance to talks about a trilateral axis. For example, all three opposed the war on Iraq and protested against what they viewed as a rejection of the rules of the international game. They continue to back the primacy of the UN Security Council in solving crises and support the principle of non-intervention in the internal affairs of sovereign states. All three are weary of militant Islamic groups on their soil and want stability in Central Eurasia. There is also a growing arms sale relationship between Russia and the two Asian countries. The trade provides Moscow with billions of much-needed dollars and important arms-export markets, while Beijing and New Delhi receive sophisticated armaments ranging from combat aircraft to submarines. Interest in Russia's energy resources is another common denominator in trilateral cooperation. The trilateral meeting in Vladivostok in June 2005 was designed to discuss economic cooperation, and energy issues assumed high importance.⁹ The Shanghai Cooperation Organization (SCO) could provide a convenient forum for the trilateral axis. It currently includes China, Russia, Uzbekistan, Kazakhstan, Kyrgyzstan, and Tajikistan, but India has been touted as a potential candidate to join

⁹ Alexander Ivanov's Interview to ITAR-TASS, 12 April 2005, <http://www.mid.ru>.

Some experts argue that the trilateral axis is not feasible because the Indian nuclear and missile programs are not so much aimed at Pakistan but are in fact used as a deterrence against Chinese nuclear warheads. India and China also have competing economies, which makes the triangle seem implausible. Other commentators have warned that a well-armed and strong China may one day pose a threat to Russia's resource-rich Far East. Russia and China have already solved their border disputes, but China and India are still divided by a chunk of barren terrain, the Dalai Lama, and a few thousand of his followers. Finally, the would-be strategic triangle does not have an implementation system, which is a prerequisite to ensure the future success of any stratagem. In the meantime, none of the troika wants to give the impression that they are banding together against the United States.¹⁰

Although most Russian foreign policy analysts, especially the Asian experts, seem to be supportive of a closer Russia-China-India strategic partnership, some believe that Moscow's interests in the Asia-Pacific would be better served by supporting the US's balancing role in the region. Dmitri Trenin from Moscow's Carnegie Endowment for Peace, for example, believes that in 10–15 years it will become clear that the future of Siberia and the Far East is Russia's main geopolitical problem of the 21st century. He argues that at the heart of this area's instability is the failure of the traditional mobilization model of development and the delay in achieving new development based on private, mainly foreign, capital, which leaves the area vulnerable to China. Trenin believes

¹⁰ Sergei Blagov, "Putin's Push for a Strategic Triangle," *Asia Times Online*, 8 December 2004.

that Washington is interested in Russia preserving its Far East, which creates a strong foundation for US-Russia partnership in the region.¹¹

Threat Perception

The diversity of Russian approaches to security in the Asia-Pacific can be explained by difference in threat perceptions. Differences in opinion at the level of individual experts are normal and common in most countries, including Russia. More disturbing, however, is the gap between Moscow and the Russian Far East, or within the Russian Government itself (particularly within the same agency), in how threats are perceived.

In his media interview in Phnom Penh following the Plenary Meeting of the Tenth Session of the ASEAN Regional Forum in October 2003, then Foreign Minister Igor Ivanov emphasized two major problems facing Russia in the Asia-Pacific. The first is the struggle against terrorism “given that from the Asia-Pacific region comes considerable support for the terrorist structures and organizations which operate in the North Caucasus.” This makes coordination with the countries of the Asia-Pacific region an important element of international efforts to combat terrorism as a whole. The second problem is the struggle against narcotics emanating from the territory of Afghanistan. Because some of the channels of drug trafficking run through Russia, a

¹¹ Dmitri Trenin, “The Asian Vector in Moscow’s Strategy,” *Nezavisimaya Gazeta*, 27 October 2003.

significant amount remain in its territory. Ivanov also mentioned the Korean peninsula as another destabilizing factor.¹²

Alexander Ivanov, Head of the Department of ASEAN countries and general Asian issues of the Russian Foreign Ministry, prioritizes security threats in the region in a different way. He views the following factors as undermining regional security: nuclear developments on the Korean Peninsula, American plans for an exclusive Missile Defense System in Asia, the Taiwan problem, challenges of globalization, separatist trends in a number of Asian countries, terrorism, and natural disasters.¹³ In his view, terrorism moves from the first to almost the last security challenge in the region.

The presidential envoy to the Far Eastern Federal District, Konstantin Pulikovskii, has his own security priorities. According to him, in the Far East, like nowhere else, practically every possible threat to national security exists. “We live in a unique region—a sparsely populated region with open expanses that is surrounded by the strongest powers in the world.” Among the threats to the region, Pulikovskii highlighted the “information threat” posed by the lack of information in the Russian Far East and the Asia-Pacific region about each other. He also stressed the region’s continuing energy woes and problems in the transportation sector.¹⁴

¹² Transcript of the Interview of Russian Minister of Foreign Affairs Igor Ivanov by Russian Media following the Plenary Meeting of the Tenth Session of the ASEAN Regional Forum (ARF), Phnom Penh, June 18, 2003, <http://www.mid.ru>.

¹³ Alexander Ivanov’s Interview to ITAR-TASS, 12 April 2005, <http://www.mid.ru>.

¹⁴ *Izvestiya*, 23 July 2002.

In 2003, addressing officials and administration heads from the 16 federations that comprise the Siberian Federal District in Novosibirsk, then Security Council Secretary Vladimir Rushailo said he was concerned about security in Siberia and Far East particularly because efforts to combat crime against individuals and their property were inadequate. Even more worrisome, Rushailo said, is the economic security of the region, which is becoming increasingly dependent on exports of natural resources as other industries continue to decline. At the same session, Krasnoyarsk Krai Governor Aleksandr Khloponin said that the main obstacle to improving the socioeconomic situation in Siberia and Far East was federal bureaucracy. He called for the transfer of real decision-making authority from the central to the regional level.¹⁵

Vladimir Putin summarized Russia's security threats in his address at a special meeting of the Security Council following his working trip to the Far East. Putin unequivocally stated that the region requires special attention because of its geographic remoteness from central Russia and because of the length of its maritime and land boundaries. In addition, serious demographic, infrastructural, migration, and ecological problems persist, and the unbalanced economy continues to lead to social tension. All of these factors adversely affect the quality of life and economic and social development in the Far East. They limit Russia's potential for successful integration into the Asia-Pacific region, which has become a hub in the system of global economic ties. The military-political situation in the Asia-Pacific region as a whole remains stable, but the danger of exacerbation of many so-called latent conflicts persists.

¹⁵ *Nezavisimaya Gazeta*, 21 May 2003.

The activity of transnational criminal and international terrorist organizations also poses a grave threat to the stability and sustainable development of the Russian Far East. In this regard, Russia must be ready to respond promptly to any threats to its national security, relying on an effective force potential and the efficient organization of the activities of its law enforcement agencies and special services. To this end, the President gave orders to increase and strengthen the combat readiness of the Pacific Fleet and the Far Eastern Military District formations and units, as well as the overall quality of work of the law enforcement system and border and customs control services. Putin's priorities are to ensure the personal safety of Russian citizens; to protect the economy from criminal penetration; and to fight contraband, drug trafficking, and illegal immigration.¹⁶

Economic Insecurity

The high level of criminal activity in the fishing sector, lack of transportation infrastructure, and inadequate foreign investment are the most troubling factors affecting the Russian Far East's economic security. The fishing sector in Primorskii Krai is one of the country's most criminalized elements, with an estimated US\$2 billion worth of fish sold illegally to Japan each year. According to *Kommersant-Daily*, Japanese companies have paid \$10 million in bribes to the State Fisheries Committee for rights to fish in Russian waters.¹⁷

¹⁶ Opening Remarks by Russian President Vladimir Putin at the Security Council Meeting, November 27, 2002, Moscow, <http://www.mid.ru>.

¹⁷ *Kommersant-Daily*, 17 January 2003.

Speaking in Vladivostok after visiting a fishing trawler and an ocean-resources research center, President Putin said he is upset by the current situation in which Russian fishermen sell some 80 percent of their catch directly to foreign companies without paying customs, and only the remainder is being used domestically. “In the USSR the proportion was reversed. It looks like we are selling cheap raw materials and buying expensive finished products,” Putin said. He called on the fishing industry to enlarge fishing companies through mergers and to impose severe punishment for poachers.¹⁸

Among Russian regions, the Russian Far East has one of the lowest levels of investment. The situation varies between the oil-rich Sakhalin region, where investment is booming, and the rest of the Far East. The Primorye region’s economy is in dire need of rejuvenation—to the tune of US\$6 billion, according to the regional administration. Although the region’s problems are huge, so is its economic potential. In its annual study of regional investment climates, *expert* magazine ranked Primorye twentieth out of the nation’s 89 regions, sandwiched between Novosibirsk and Saratov. Despite Primorye’s natural riches—fishing, timber, minerals—and the potential to develop as a major transit route for oil and gas, foreign investors are not pouring in; foreign direct investment is around US\$60 million. In the same *Expert* survey, Primorye was characterized as one of the regions with “constantly increasing risks,” ranking in the bottom third, or seventieth, in terms of investment climate.¹⁹

¹⁸ <http://www.strana.ru>, 24 June 2004.

¹⁹ *Moscow Times*, 2 July 2003.

Demographic Worries

The Russian Far East's demographic problem is often superficially blamed on Chinese immigration into the region, but this oversimplification omits the broader demographic trends in the region and in Russia itself. According to the State Statistics Committee (Goskomstat), the population of Russia fell by 504,000 to 143.7 million in the first eight months of 2004. The difference between the birthrate (1.013 million) and the mortality rate (1.533 million) was the main reason for the decrease. Russia's population continues to decrease at a rate comparable with civilian casualties in the bloodiest months of World War II. If the trend continues, Russia's very existence will be put into question in a few decades. Commenting on Goskomstat's figures, Health and Social Development Minister Mikhail Zurabov said that Russia's current population is already "insufficient for a country with such territory and long borders."²⁰

Khabarovsk Krai Governor Viktor Ishaev believes that the most acute threat of depopulation is in Eastern Siberia and the Far East, where the Russian population does not exceed 7 million while 50 times that number of Chinese live on the other side of the Amur River. "One should understand that nature does not tolerate a vacuum. If one side doesn't fill it, the other will," TV-Tsentr quoted him as saying.²¹ In a different statement, Ishaev referred to the 1.2 million residents of the Russian Far East who moved out of the region since 1991. At the November 2002 meeting of Russia's Security Council,

²⁰ *RFE/RL Newslines*, 25 October 2004.

²¹ *RFE/RL Newslines*, 25 November 2004.

President Putin warned that immigration trends in the Russian Far East would lead to the squeezing out of Russian citizens from the job market. He insisted that Russians should be given priority in employment. However, according to Krasnoyarsk Krai official Viktor Novikov, the number of Chinese citizens arriving in the region to search for work has not declined: Chinese workers comprise 55 percent of the foreign workers in the Krai—the largest group from any country.²²

According to data from Russia's 2002 census, the population of the Far Eastern Federal District has declined by 1 million, or 15.9 percent, since 1989. The largest exodus has occurred in the Chukotka (70%), Magadan (50%), Koryak (37%), Amur (28%), Kamchatka (25%), Sakhalin (20%), and Primorye (10%) regions. The total population of the Far Eastern Federal District, according to the census, was 6.7 million.²³

The Head of the Migration Service of the Primorye region, Sergei Pushkarev, is concerned that the Federal Government has not decided yet what it really wants to do with the region: promote settlement of the area and preservation of its population or just make use of the natural resources.²⁴ The growing frustration with federal indecision is prompting local authorities to come up with their own solutions. One such solution is a relocation of people from northern areas of the Far East to southern areas. In fact, this approach reflects real processes that are occurring as people from Magadan move to Khabarovsk, northern Sakhalin residents move to Yuzhno-Sakhalinsk, and so on. According to Chukotka Autonomous Okrug Deputy

²² <http://www.regions.ri>, 9 June 2003.

²³ *Izvestiya*, 13 August 2003.

²⁴ *Ibid.*

Governor Vasilii Maksimov, one of the Okrug administration's priorities is to relocate all of the residents of Chukotka to other parts of Russia. According to Maksimov, Chukotka was a forward outpost of the government and was developed for defense reasons during the Soviet era. People were sent there to work on military projects. To this day, Chukotka is not a comfortable place to live. The indigenous population and a minimal number of service personnel might want to remain, but Maksimov believes that as many people as possible should be resettled.²⁵

Avenues of Regional Cooperation

At least three areas of promising cooperation between Russia and the Asia-Pacific region exist. The first and most advanced at this stage is the arms trade with Asian countries. In addition to traditional and significant arms deals with China and India, which make up about 70 percent of Russia's total arms export, Moscow is actively cultivating the ASEAN market. Southeast Asia has emerged as a third pole in the consumption of Russian arms, after China and India. In 2003, Malaysia, Indonesia, and Vietnam contracted with Rosoboronexport for military equipment deliveries totaling US\$1.5 billion. Thailand is negotiating with Russia for Su-30MKI fighters, and South Korea is currently conducting a tender for the delivery of attack helicopters. The Russian-Israeli KA-50-2 is competing in the tender, which has been repeatedly postponed.²⁶

²⁵ *RFE/RL Newslines*, 8 April 2004.

²⁶ Dmitry Vasiliev, "Russian Arms Trade with Southeast Asia and the Republic of Korea," *Moscow Defense Brief*, 2005, 1: 3.

The geographic expansion of the arms trade is timely. Arms trade with China and India is experiencing certain challenges, which are primarily driven by Beijing's and New Delhi's efforts to diversify their arms imports. Analysts are warning that the possible lifting of the EU's arms embargo against China and the US's preparedness to supply weapons to India will have negative consequences for Russia. The Russian government seems to be preparing for such eventuality: Vladimir Putin has already suggested a possible trilateral Russia-EU-China arms trade cooperation. Meanwhile Russian Defense Minister Sergei Ivanov believes that Russia is so much more experienced in dealing with both Chinese and Indian markets that it can cope with outside competition.²⁷

The second area of promise involves Russia's gradual and successful positioning of itself as a major energy supplier to Asia-Pacific countries, particularly China and Japan, which are in fierce competition for access to Russia's oil and gas resources as the dilemma of pipeline construction in the Russian Far East remains unresolved. Russia, the world's biggest oil supplier after Saudi Arabia, expects to raise crude exports to the Asia-Pacific region tenfold by 2020 as it taps oil and gas fields in eastern Siberia and the Far East. Oil exports to the Asia-Pacific will comprise a third of oil shipments abroad in 2020, when the country expects to supply as much as 310 million tons per year (6.2 million barrels per day) to world markets, according to a Natural Resources Ministry report. By 2020, Russia plans to explore new fields and produce 80 million tons of oil per year in Eastern Siberia, according to the report. Output from the Sakhalin

²⁷ *RIA-Novosti*, 13 December 2002.

Island shelf off the Pacific coast is expected to increase to as much as 26 million tons per year by 2010 and change little over the ensuing decade. Asian refiners, especially in energy-starved China, are boosting purchases of Russian crude oil.²⁸

Russia is not content with being purely a supplier to the Asia-Pacific, and it hopes to shape energy security and cooperation in the region. Vladimir Putin called it “a new energy configuration in the Asia-Pacific region” when he addressed the APEC Business Summit in Bangkok on 19 October 2003. Russia’s leadership in energy security will be tested by the final outcome of the dilemma about the final route of the oil pipeline from Eastern Siberia. Having China and Japan compete for the route may be commercially beneficial for Russia, but it does not help the construction of a “new energy configuration” in the region, particularly when China and Japan seem to be passing through a volatile period in their bilateral relationship.

Finally, in a third area of promise for cooperation, Russia is emerging as a consistent supporter of multilateral cooperation in the Asia-Pacific, primarily in security and economic matters. Thanks to fruitful partnership with China and Central Asian member states, Moscow has not only maintained and developed a mechanism of cooperation within the Shanghai Cooperation Organization (SCO), but it has also successfully “marketed” SCO in the Asia-Pacific region. On 21 April 2005, a Memorandum of Understanding between the secretariat of the SCO and the secretariat of ASEAN was signed in Jakarta. ASEAN became the second regional grouping after the Commonwealth of Independent States (CIS) to establish official

²⁸ *Bloomberg*, 19 February 2004.

relations with the SCO. The bilateral document defines the main areas of practical engagement and cooperation between the permanent bodies of the two organizations. Priority is to be given to the struggle against transnational crime and international terrorism and to cooperation in economy, finances, environment protection, and tourism. The Russian Foreign Ministry welcomed the establishment of official contacts between the SCO and ASEAN and regards this as an important step in implementing the Tashkent Declaration, signed by the heads of the SCO member states in 2004, which urged the creation of a partner network of multilateral associations in Asia.²⁹ However, Russia's involvement in the multilateral processes in the Asia-Pacific remains limited. Moscow was left out of the ASEAN Plus Three process, was not invited to the East Asian summit, and continues to find itself outside the framework of the Asia-Europe Meetings (ASEM).

Conclusion

The unsettled economic and demographic situation in the Russian Far East continues to be Russia's main obstacle in reaching out to the Asia-Pacific region. Without major, if not magical, change in the social and economic conditions of the Russian Far East, Moscow will not be a complete and efficient power in the Asia-Pacific. Not surprisingly, President Vladimir Putin referred to the Far East as Russia's second most vulnerable and strategically important region after the North Caucasus. In his 2005 annual address to Russia's parliament, Putin

²⁹ Statement by Alexander Yakovenko, the Spokesman of Russia's Ministry of Foreign Affairs, on the signing of the Memorandum of Understanding Between Secretariats of SCO and ASEAN, 25 April 2005, <http://www.mid.ru>.

referred to the border regions of Russia as linchpins of cooperation with neighboring countries.³⁰ Russia's other challenges in the region, such as the continuing row with Japan over disputed territories or alarm about Chinese expansion, will be easier to handle if and when the Russian Far East is a stable, prosperous, and self-confident region.

³⁰ President's annual address to the Federal Assembly, the Kremlin, Moscow, 25 April 2005, <http://www.mid.ru>.

Chapter 3

The United States in the Asia-Pacific: A Leadership Challenge

Vladimir Petrovsky*

Introduction

The US's role in the Asia-Pacific is most obviously that of leadership, both for friends and opponents of America in the region. That role can be better understood in the context of the security situation in the region.

Recently, the overall strategic environment in the Asia-Pacific has improved; its outlook, at least, was better in 2003–04 than in 2001.¹ China concluded a free trade agreement and a “Strategic Partnership for Peace and Security” with ASEAN and acceded to ASEAN’s Treaty of Amity and Cooperation. The cease-fire between the government forces of Sri Lanka and the Liberation Tigers of Tamil Eelam continued, and the India-Pakistan peace process was progressing.

A strong US military presence is the major reason for the relative stability in the region. Recently, American military power has become even more predominant in the Asia-Pacific. For example, in terms of defense expenditure, the US spent US\$404,920 billion in the Asia-Pacific in 2003, or US\$1,391 per capita. This figure

* *Vladimir Petrovsky is a professor at the Moscow State University for International Relations and an alumnus of the APCSS.*

¹ *Strategic Survey 2003/4*, Oxford University Press, 2004, p. 200.

represented 3.7 percent of the country's GDP that year. In contrast, the total defense expenditure of the East Asian and Australasian countries in 2003 was US\$164,379 billion, or US\$79 per capita (2.1% of GDP).²

The reduction of the US military presence, within the framework of the global defense transformation, did not make American forces in the region less active. In fact, 11 out of 22 key US military training events in 2003–2004 were conducted in the Asia-Pacific.³ Increased combat training combined with a certain reduction in the number of US troops could make the US presence in the Asia-Pacific even more effective.

Military strength by itself, however, is not the key to regional security and stability, and American leadership in the Asia-Pacific could become a challenge, rather than an advantage, for the current US administration. Although the countries of the region accept US leadership, it still needs to be properly justified and administered.

US Regional Strategy: Multilateral or Unilateral?

US foreign policy under the Bush administration is often criticized as being based exclusively on the selfish pursuit of national interest. The accusation of unilateralism, however, is not completely correct; rather, US foreign policy could be labeled “unilateral if necessary, but multilateral if possible.”⁴

² *Military Balance 2004–2005*, Oxford University Press, 2004, p. 353, 355.

³ *Military Balance 2004–2005*, p. 20-21.

⁴ *Survival*, Spring 2003, 45(1): 119.

Indeed, the US national security strategy proposes that to contend with uncertainty and to meet numerous security challenges, the US “will require bases and stations within and beyond Western Europe and Northeast Asia, as well as temporary access arrangements for the long-distance deployment of US forces”.⁵ This means that the US will seek stable partnerships with regional allies, at least to secure its military presence, as required.

Should American multilateralism be narrowly limited to achieving the goals and objectives of the current US strategy? At present, the US ties itself to its regional allies and partners and agrees to develop its policies in concert with them; in the process it gives up some modest procedural and political freedom of action. In return, the US acquires dependable allies who share the burden and operate within rules and institutions that serve American interests over the long term.⁶

Such a model of limited cooperative security relations could serve the US national interest in the Asia-Pacific in the short- and mid-term, but it is not a solution for the problem of American leadership. The US is strong enough to allow looser partnership, which would provide larger freedom of action to its allies. This step would promote the image of America as an unselfish global leader, one who cares about the interests of its partners and the future of the world. The concept of international security regimes could help US foreign and defense policy makers identify appropriate ways and means to achieve this goal.

⁵ Ibid, 137.

⁶ G. John Ikenberry, “The End of the Neo-Conservative Moment,” *Survival*, Spring 2004, 46(1): 8.

The US and Emerging Regional Security Regimes

An international regime implies a set of explicit and implicit principles, norms, regulations, and procedures of decision making that represent a coordinated vision by the actor states of this or that sphere of international relations. The principles reflect perception of causality, facts, and obligation (honesty). The norms represent behavior standards, as realized in rights and duties. The regulations prescribe a set of actions. The decision-making procedures reflect a prevailing practice of collective choice.

International regimes are decentralized institutions, which does not mean that sanctions for violating norms and rules are absent but that a consensus on implementation of sanctions is necessary, and these could be less strict compared to a collective security system. These regimes are necessary not so much for centralized implementation of agreed-upon decisions, but rather for an atmosphere of confidence and predictability in international relations that is conducive to international cooperation and coordination of national interests. This approach furnishes proper conditions for states to make decisions about protection and promotion of their national interests with an eye to other countries' interests as well as for forging ties of mutually beneficial cooperation with one another.

The Asia-Pacific is witnessing the emergence of two types of multilateral security regimes:

- Regimes of transparency and confidence-building involving primarily information and communication exchange and ensuring the openness and predictability of Asia-Pacific countries' military activities;

- Restrictive regimes (regimes of non-proliferation and export control) that allow for banning or limiting certain types of military activities, production, or use of some kinds of weapons and equipment.

Inasmuch as the main goal of cooperation in the security arena is to avert armed conflict, the primary goal of transparency is to minimize security dilemmas by providing open channels of information and communication along the entire spectrum of security issues, from the exchange of data on military budgets to prior warning of military exercises.

The usefulness of transparency measures can be evaluated not so much by the degree of trust between the parties involved but by the amount of concrete, verifiable information exchanged about security issues. In the absence of reliable information about the actions of a potential adversary, a country will be inclined to exaggerate its intentions in the areas of defense and security and will prepare for the worst-case scenario. Transparency measures strengthen mutual trust and act as an early warning against aggression and the possibility of armed conflict.

Transparency measures include the publication of documents regarding national military strategy and doctrine, white papers on defense, and data on military budgets and arms procurement plans. The UN Register of Conventional Arms and compliance with international arms verification and control regimes are among the most important transparency measures.

Transparency measures may be implemented on a stage-by-stage basis, with a gradual stepping up from simple to more complex, and by widening the measures to include security issues other than

military (e.g., economic issues, environmental troubles, refugee problems, the battle against the illicit drug trade, smuggling, piracy, etc).

The creation of a multilateral negotiating and consultative mechanism is both the end and the means for establishing a regime of transparency and confidence-building measures in the Asia-Pacific. A multilateral dialogue about the security problems facing the region could be the primary means for an equivalent exchange of information in the spheres of defense and security. It might help to correct mutual threat perceptions and to develop alternative proposals in the areas of transparency and military verification measures.

The experience of recent years has shown that non-governmental channels of dialogue (track-two diplomacy)—above all, exchanges by scholars and experts on the Asia-Pacific region regarding security issues—can play a vital role in the development of structures for a mechanism of regional negotiation and consultation. Historically, these exchanges have been the forerunners of formal structures for multilateral confidence-building mechanisms. They create an informational and political environment favorable to the establishment of formal organizations and they discretely encourage the active engagement of track-two networks with good connections to policy elites and with solid expertise in security sector issues (such as the CSCAP).⁷

The conventional multilateral means to building confidence in the Asia-Pacific were developed in detail by regional experts and were based on the experience of preparing Soviet-American

⁷ Chester A. Crocker, "A Dubious Template for US Foreign Policy," *Survival*, Spring 2005, 47(1): 63.

agreements for averting incidents at sea and provocative military actions. They have proven to be effective in maintaining the balance of power (primarily between the naval and air forces of the countries involved), especially with regard to the political and military situation on the Korean Peninsula and in the waters of the South China Sea.

In recent years, the strengthening of the formal negotiating and consulting mechanism, the transparency regime, and the means of building trust in the Asia-Pacific has been linked primarily to the work of ASEAN and its Asian Regional Forum (convened periodically under its auspices).

In the future, transparency and verification measures in the naval arena will be especially important: In recent years, a noticeable increase in the naval capabilities in the Asia-Pacific has occurred. Transparency in military spending by Asia-Pacific countries will also be a substantial and much-needed step forward, inasmuch as the region has firmly occupied a leading position in global military spending in recent years.

The next step in establishing a regional transparency regime is an exchange of information on the state of the armed forces in the countries of the Asia-Pacific. This would allow the calculation of a relatively accurate estimate of comparative military capabilities and, correspondingly, an evaluation of potential threats. The UN Register of Conventional Arms is the largest and, at present, the most effective transparency measure for armaments yet.

Overall, the transparency regime for military expenditures, armed forces, and weaponry in the region appears to be well developed and institutionalized. It contains measures to regulate and restructure

armed forces and weapons, and it is capable in the long run of acquiring all the features of a restrictive international regime.

Development of non-proliferation regimes in the Asia-Pacific will be connected with suggestions by interested regional powers for improving and strengthening the existing regime elements, which include Nuclear Non-Proliferation Treaty (NPT) operation, the International Atomic Energy Agency (IAEA) multilateral inspection mechanism, conclusion of the Comprehensive Test Ban Treaty (CTBT), and other nuclear disarmament agreements, as well as setting up subregional and regional zones free from nuclear arms and other types of weapons of mass destruction (WMD). In addition, nuclear arms are not the only concern for non-proliferation regimes; chemical and biological weapons and the means to deliver them over long-distances must also be addressed.

Many components of non-proliferation and export control in the Asia-Pacific—such as the NPT and related agreements and arrangements; bans on chemical weapons; bans on biological and toxic weapons; restrictions on their means of delivery; and monitoring of conventional arms, modern military technologies, and dual-purpose technologies—are interconnected and interdependent and should act as a single system of restrictive security regimes.

One of the non-proliferation regime constituents in the Asia-Pacific is control over military and dual-purpose technology proliferation. As a consequence of the general economic growth in Asia-Pacific countries, the scale of military and dual-purpose technology transfer in the region is expanding inexorably, which encourages the arms race and defense industry development,

particularly in countries such as China, Japan, the Republic of Korea, Indonesia, and Taiwan.

Regional security regimes would help the US and its partners to better handle emerging security issues in the Asia-Pacific, primarily those related to the human security agenda.

*The Asia-Pacific after the Tsunami:
Human Development and Human Security Agenda*

Human development issues, as defined by the goals of the Millennium Declaration, have become the key factors of the Asia-Pacific regional security environment. The US, among other G8 states, holds special responsibility for the timely achievement of these goals. In this context, it is noteworthy that despite the Bush administration's increased commitment to overseas assistance, its aid constitutes less than 0.2 percent of the US gross national product (GNP). By comparison, as a percentage of GNP, Japan and Germany give around twice as much, France and the United Kingdom almost three times as much, and the Scandinavian countries around eight times as much.⁸ Against the background of the current US defense expenditure, one may suggest that even a small increase in the US's official development assistance in the Asia-Pacific would have a significant impact on regional security and would substantially promote American leadership in the region and beyond.

⁸ David M. Edelstein and Ronald R. Krebs, "Washington's Troubling Obsession with Public Diplomacy," *Survival*, Spring 2005, 47(1): 97.

The terrorist attack on the US in September 2001 cost 3,000 lives and changed security priorities around the world. The recent tsunami killed 100 times as many people, showing that too little attention has been paid to non-military threats. However, the damage caused by the tsunami could attract more attention to the human security dimension of the Asia-Pacific environment and could foster cooperation against non-military threats such as natural disasters and disease.⁹ The US Pacific Command has proven its efficiency in emergency relief operations, and, in fact, has been a leading force at the initial stage of international humanitarian response to the Asian tsunami. Thus, the US's increased military capabilities to deal with emergency and disaster relief will secure new roles for its military, as related to the human development and human security agenda in the Asia-Pacific and worldwide. Defense diplomacy could be another tool to promote the new roles for the US military in the region.

New Role for Defense Diplomacy

In contrast to traditional defense diplomacy, with its *realpolitik* emphasis on countering enemies, new defense diplomacy emphasizes engagement with potential enemies, support for democracy, civil control of the military, good governance, human rights, and supporting other states in developing peacekeeping capabilities.¹⁰

⁹ Tim Huxley, "The Tsunami and Security: Asia's 9/11," *Survival*, vol. 47, no. 1, Spring 2005, p. 129.

¹⁰ *Reshaping Defense Diplomacy: New Roles for Military Cooperation and Assistance*, Oxford University Press 2004, p. 12–13.

In the Asia-Pacific, the US has sought to use defense diplomacy as a means of building new cooperative relationships with China and India. The ASEAN Regional Forum has initiated a multilateral security dialogue in the Asia-Pacific. Australia has developed new military ties with Indonesia, China, and smaller Pacific Island states in the areas of peacekeeping and security of arms stockpiles. Japan is also beginning to pursue bilateral and multilateral defense dialogue and exchanges with neighboring states, including China and South Korea.

Defense diplomacy can contribute to conflict prevention and respond to other security challenges by signaling a political commitment to develop cooperative relations, promoting military transparency, reducing misperceptions, promoting perceptions for common interests, and socializing militaries toward cooperation.

However, the US defense diplomacy effort could generate a new dilemma: For the sake of the War on Terror and other US security interests in the Asia-Pacific, it is establishing closer ties with some regional partners that do not comply with the standards of democracy and human rights. The support of such regional regimes could affect US interests in the long term.

The US and Russia: Asymmetric Partnership

The US and Russia consider each other as global and regional partners, but this partnership remains far from stable or truly vital for either

side. It is in both Russian and American interests to pursue a new foundation for cooperation beyond that of combating a common enemy. However, given the current asymmetry in US and Russian power and resources, Russia can hardly seek equal partnership, and at least in the short term it will play a constrained role with limited international security obligations.¹¹ US–Russia security cooperation provides a good opportunity for these countries to make this partnership more sustainable and mutually beneficial.

Russian political and military leaders are optimistic about the future of Russia’s partnership with the US. For example, the “Report of the Russian Ministry of Defense on the Russian Armed Forces Development Strategy” reads:

“Russia is looking forward to expanding cooperation with the USA in political, military, and economic spheres, and continuing its cooperation with the US, aimed at securing strategic and regional stability, dismantling the legacy of the Cold War, and the WMD non-proliferation at regional level. Russia supports the US war on terror, within the framework of the anti-terrorist coalition, being viewed as an element of global stability and an instrument of the new world order. Russia’s relations with the US are based on strict adherence to the International Law and on primacy of its national interests.”¹²

Russia’s Minister of Defense, Sergei Ivanov, agrees and stresses the “special significance” of Russian–US security relations.¹³ The US Under Secretary of Defense, Douglas Feith, has stressed that the US–Russian hostilities of the Cold War period are a matter of the

¹¹ Angela Stent and Lilia Shevtsova, “America, Russia and Europe: Realignment?” *Survival*, Winter 2002–03, 44(4): 128.

¹² *Military Forces of the Russian Federation: Topical Development Issues*, p. 16.

past. He pointed out that the US is looking forward to expanding existing foreign and security relations and building a new system of partnership, aimed at a better balance of interests and compatibility of defense potentials. “The American forces should offer assistance, while in certain cases the help for the US would also be needed,”¹⁴ suggested Feith. If this is a call for a more cooperative security partnership, then the time has come for Russia and the US to proactively develop regional security regimes in the Asia-Pacific.

In recent years, Russia has consistently advocated multilateral security mechanisms at regional and global levels. The translation of European security experience to East Asia could be a major step toward transregional security regimes. At the same time, the possibility of loose consultative mechanisms gradually developing into a system of security regimes characterized by transparency and non-proliferation is much more probable in the Asia-Pacific, in comparison with the stricter and more formalized collective security system of Europe.

To conclude, regional security regimes involving both Russia and the US could contribute to the transformation from a limited cooperative security model to broader cooperative security relations in the Asia-Pacific, thus further ensuring America’s leadership in the region and beyond.

¹³ Sergei Ivanov, “Russia’s Military Forces and Their Strategic Priorities,” *Russia in Global Politics*, 2004, 2(1): 41.

¹⁴ Douglas Feith, “The US Defense System: Global Transformation,” *Russia in Global Politics*, 2004, 2(1): 53, 57.

Chapter 4

Strategic Resets, Security Ripples, and US Interests in the Asia-Pacific

Satu P. Limaye*

Introduction

The debate about the evolving Asia-Pacific security environment is quite rich and mixed at present. Recent writings on the Asia-Pacific suggest that widely varying views of the region's future security exist. Some of the titles of these publications are quite dramatic: *Thunder from the East*, *Fire in the East*, *Asia Rising*, *Struggle for the Mastery of Asia*, *Ripe for Rivalry*, and *The New Asian Renaissance*¹ are just a few examples. These different views are, in some sense, to be expected given the range of sometimes-contradictory developments now taking place.

There are two broad schools of thought about the security environment in the Asia-Pacific. The first, represented by scholars

* Satu Limaye submitted this chapter while he was the Director of Research and Publications at the Asia-Pacific Center for Security Studies in Honolulu, Hawaii.

¹ Nicholas Kristof and Sheryl WuDunn, *Thunder in the East: Portrait of a Rising Asia*, New York: Alfred A. Knopf, 2000; Paul Bracken, *Fire in the East: The Rise of Asian Military Power and the Second Nuclear Age*, New York: HarperCollins, 2000; Jim Rowher, *Asia Rising*, New York: Simon and Schuster, 1995; Aaron Freidburg, "The Struggle for the Mastery of Asia," *Commentary*, November 2000; Aaron Friedburg, "Ripe for Rivalry: Prospects for Peace in a Multipolar Asia", *International Security*, 18(3): 5-33; and Francois Godement, *The New Asian Renaissance: From Colonialism to the Post-Cold War*, London: Routledge, 1995.

such as Aaron Friedburg, tends to view the regional security environment as being on the cusp of major rivalries, as argued in his important articles *Struggle for the Mastery of Asia* and *Ripe for Rivalry*. The second, supported by Amitav Acharya, Deputy Director of the Institute for Defence & Strategic Studies in Singapore and others, is more optimistic that regional states can work out accommodations that do not imperil their future. These accommodations include a combination of overlapping mechanisms such as bilateral relationships and regional multilateral arrangements.

Another way of assessing the security environment in the Asia-Pacific is to think of the range of challenges it faces and the level of danger or manageability of each set of challenges. In this construct, the Asia-Pacific today faces two broad sets of challenges.

The first, which I term strategic resets, are challenges that:

- Pose a threat of major war among key regional states
- Sustain persistent national-level political, diplomatic, and military involvement from the major powers
- Potentially could fundamentally alter state-to-state relationships and the balance of power in the Asia-Pacific
- Could seriously affect the economic health of the entire region
- Possibly could shape future US commitments to the region, including alliances.

In short, strategic resets are those challenges that have the potential to fundamentally change the prevailing order of security in the Asia-Pacific. In my view, there are at least six of these:

1. A sudden unexpected change in US alliances, forward military basing, and bilateral relationships in the region
2. Conflict on the Korean peninsula
3. Miscalculation in the Taiwan Straits
4. A breakdown of the US–Japan alliance

5. Sudden, dramatic changes in the power trajectories and national identities of China, Japan, and India
6. Outside of northeast Asia, possible miscalculation between India and Pakistan, although this flashpoint is much less likely to be a strategic reset for the wider Asia-Pacific region than problems in the Cross-Straits or on the Korean Peninsula.

Fortunately, the prospect of any of these strategic resets occurring remains low, but they require regular attention. The changing nature of regional flashpoints presents an especially serious mid- and long-term challenge to regional security managers. Therefore, I discuss these structural changes in regional flashpoints in more detail in the next section.

I call the second category of Asia-Pacific challenges security ripples. These are challenges that:

- Are unlikely to result in large-scale, state-to-state war, although smaller-scale military actions might be necessary to address them
- Require multilateral engagement and solutions
- Might involve militaries, but are more the provenance of law enforcement and other elements of a country's security apparatus
- Erode the socioeconomic and physical health of citizens and states but do not threaten state survival, borders, or the regional balance of power.

Some of the key Asia-Pacific security ripples include:

- **Transnational threats** include illicit activities like drugs and human trafficking. These “seams of lawlessness,” as Admiral Blair labeled them, can erode the sovereignty and control of governments and exacerbate social and economic tensions.

- **Terrorism** is, of course, one of the key security challenges in the Asia-Pacific region, particularly in South and Southeast Asia. Admiral Fargo, recently retired Commander of the Pacific Command, stated that “Southeast Asia [is] a primary fault line in the War on Terrorism. The Jemaah Islamiyah’s threat to stability and prosperity is serious given its plan to establish a pan-Islamic state that would extend from Indonesia through Malaysia to Mindanao in the Philippines.”²
- **The proliferation of weapons of mass destruction (WMDs)**, such as nuclear, biological, and chemical weapons, and particularly the possibility that they could be acquired by terrorists, correctly haunts security planners in all countries.
- **Maritime security** continues to be an important need in the region. Addressing maritime security cooperatively will diminish the dangers posed by transnational threats such as terrorism, piracy, and trafficking in WMDs, humans, and drugs.
- **Energy security**, including both the availability of actual resources and the safe means for their delivery, will be critical in a region whose energy demands are rapidly growing. Indeed, energy issues now occupy an increasingly prominent role in bilateral relations among countries of the region.
- **Transnational diseases** represent another facet of the unwelcome side of globalization. The spread of SARS and the avian flu are just two examples of the dangers that directly and immediately affect the physical, economic, and psychological health of citizens and countries alike.

² Statement of Admiral Thomas B. Fargo, U.S. Navy Commander, U.S. Pacific Command Before the House International Relations Committee, Subcommittee on Asia and the Pacific, on U.S. Pacific Command Posture, 26 June 2003.

Assessing the Strategic Resets

While security ripples will persistently engage regional security sectors, it is the strategic resets that could fundamentally re-order the regional environment in terms of balance of power and relationships. For this reason they deserve further discussion. Of particular importance are the evolving structural changes in regional flashpoints.

Sudden, unexpected changes in the US's alliances, forward basing, or major relationships in the region are unlikely. To be sure, the US is in the process of adjusting its "footprint" in the region (and elsewhere), but its commitment to its alliances and relationships remains unchanged. Indeed, the consultative process to address footprint issues is part of a wider effort to adjust, adapt, and update alliances that date from the the twentieth century. In the end, the net effect on many existing and new relationships between the US and countries in the region is that they will be strengthened and made more productive and active. Hence, this potential strategic reset is unlikely to occur any time soon. Changes in US alliances, basing arrangements, and relationships occasionally cause discomfort to both partners and adversaries, but there are no indications that the US is reducing its commitment to security in the Asia-Pacific region, as is often feared by countries located there.

A breakdown in the US–Japan alliance is also unlikely. Several politico-security changes are actually working to shore up the alliance, and Tokyo is showing more political and security activism. Japan's growing international role within the context of the US–Japan alliance is to be welcomed. Japan's security "normalization" should not be exaggerated—there still remain

formidable international and domestic obstacles to Japan's emergence as a major security player. On the international side, Japan's relations in its own neighborhood remain quite constrained, and domestically there is far from a consensus about Japan's more activist international role. Indeed, Japanese debates regarding their country's role in the world tend to play out within the box of the alliance relationship rather than as alternatives to the alliance.

As for the changing power trajectories of the major Asian players (China, India, and Japan), they are not occurring so dramatically in either pace or quality that the U.S. and other countries do not have time to calibrate their own responses. Indeed, there is room and time to engage and manage China's rise. Japan, as already noted, is clearly rethinking its security and foreign policy, but it is far from a military state acting independently to the detriment of the Asia-Pacific region. In fact, Japan's role is, on the whole, positive for regional peace and prosperity. India, too, has shown signs of increased activism and dynamism in terms of its regional role and its economic and military modernization, but it faces enormous obstacles to its rise and needs regional relationships (not to mention global ones) to succeed. Hence, India's interest in undertaking destabilizing behavior appears to be low. Although nationalism in all three countries is growing, there are few signs of a fervid, chauvinistic nationalism that would cause severe disruptions in regional relationships.

The situations in the three flashpoints—the Korean peninsula, the subcontinent (the Kashmir dispute), and the Cross-Straits—are perhaps the most important challenges facing the strategic stability of the Asia-Pacific. Moreover, the underlying dynamics and structural aspects of the flashpoints are changing. Although there are profound

differences in these three flashpoints, there are at least five common variables that have the potential to shape peace and security outcomes in the future.

First, the central role of the US is acknowledged not only by the parties to the disputes but also by surrounding states and the international community in general. Parties to the disputes look to the US to protect their interests and increasingly to intervene with the other side. This situation increases both the onus on and the leverage of the US, and it marks somewhat of a change from the past. For example, historically India has been strongly resistant to US “mediation” in the Kashmir dispute. However, today India is somewhat more receptive to a US role, primarily because it sees such a role as putting pressure on Pakistan to halt its support for the militants operating across the line of control. Similarly, although China would no doubt prefer a bilateral solution to the situation with Taiwan and it opposes US support that emboldens some in Taiwan to seek independence, it also realizes that this very engagement can exert a constraining effect on Taiwan’s moves toward independence. Finally, while many in Seoul view the US as problematic in South Korea’s dealings with the North, sober-minded analysts realize that the US is the target of North Korea’s diplomacy and therefore Washington has leverage to do or not do things to help manage the situation, including helping ensure South Korea’s security. The net effect is that US leverage in all of the regional flashpoints has increased and is likely to remain high over the coming years.

A second important emerging structural adjustment in regional flashpoints is the change in the balance of military power between the key antagonists in the regional flashpoints, which constitutes an

increasing cause of anxiety. The factors that affect military balances include economic/resource capacity changes (e.g., China's military modernization is stoked by a fast-growing economy), US roles in affecting the military balances of power in regional relationships is critical. For example, more than US\$11 billion for a US force in South Korea—the USFK, possible arms sales to Pakistan with simultaneous offers of sales and cooperation with India), and factors such as the competitive arms market and indigenous military and technological modernization mean that changes in relative military power are likely to increase not decrease in the coming years.. It is difficult to assess what the outcome of evolving military modernization in the key parties to regional flashpoints will be. However, if military balances prove to be effective mechanisms of maintaining stability, then it will be important to address what appear to be some changing situations in the three flashpoint areas.

A third notable structural development in the Asia-Pacific is the increasing relevance of economic interactions in shaping choices in the diplomacy and management of flashpoints. These economic interactions apply not only to the specific parties to the dispute but also to neighbors and more widely to the international community. For example, the growing economic interchanges between Taiwan and China, between China and the US, and between China and the world create a fundamentally different context for the handling of the Cross-Straits relationship than existed even a decade ago. On the whole, the effect of economic considerations has been to place a premium on the management of these disputes.

A fourth element of structural change in the three flashpoints is the changing nature of democracies and civil societies (with the

possible exception of North Korea). In each case, of course, the domestic demographic, societal, and political changes are extraordinarily complex. However, in each case the situation has changed to the extent of “opening space” for nongovernmental pressures to play a role in the handling of the respective flashpoints. The net effect of this change is that it complicates decision making because often-competing constituencies have to be addressed. On the one hand, this could lead to dangerous pressure, but on the other it makes quick, decisive action more difficult as numerous stakeholders in the disputes jockey to have influence. In effect, a certain degree of constraint is engendered into the management of the flashpoints.

A fifth factor constraining any major changes in the flashpoints is their internationalization. In a globalized world, the outcome of a given flashpoint has potentially important implications well beyond the parties to the dispute. In the three cases discussed here, the drivers that have led to internationalization differ. In the case of India and Pakistan, nuclearization has affected the dispute’s internationalization. The nuclear dimension is important in the Korean case as well. In the Cross-Straits scenario, Taiwan’s democratization and China’s rise both increase internationalization. Thus, these regional flashpoints are even more important to the international community than they were in the past, which means that a number of actors beyond the traditional players will want a role in managing the issue. This scenario has already occurred in North Korea, where several new players have sought to influence Pyongyang’s decision making as it normalizes diplomatic relations with certain countries. The net effect of internationalization has

been to add another layer of activism and hence constraint into the management of these flashpoints.

This discussion illustrates that for the most part, regional flashpoints are largely manageable. The disagreements are 50 years old and the main frameworks of the disputes and their key players are well known (they are what might be termed “known unknowns”). An inadvertent stumble into war is not impossible, but steady, persistent engagement suggests that surprises can be avoided.

In summary, these strategic reset variables are undergoing change, but I am optimistic that these changes are manageable. I believe they are, to some extent, necessary as part of the evolution of the regional security environment rather than a fundamental, dangerous break.

The Case for Cautious Optimism

Asia-Pacific strategic resets and security ripples are serious potential and real challenges. Complacency must not displace vigilance and persistent efforts to build even better regional outcomes. The view that Asia’s security future will mimic Europe’s bloody 20th century past is, to my mind, excessively pessimistic, and I believe that there are several reasons for cautious optimism.

First, if we compare today’s Asia-Pacific region with the post-independence period we find many improvements in terms of peace, prosperity, and stability. The Cold War has left legacies, but they do not overshadow the region. Extremist ideologies are clutched by isolated regimes or small minorities; they are not being advocated by

large states or movements. Some insurgencies persist, but many others have been resolved or are being managed.

Second, as noted earlier, the key developments that could reset the Asia-Pacific's strategic order are manageable. Most of these strategic challenges have existed for 50 years, parties to them appreciate their intricacies and their overall frameworks, and the parties themselves are well known to each other. This does not mean that problems will not occur, but steady, persistent engagement in these very serious challenges means that surprises are unlikely.

Third, despite outstanding historical, nationalistic, territorial, and border disputes in the region, great cooperation exists and several important bilateral relationships have either improved or disputes between them are being managed. Unlike in times past, Asia's major countries are at peace with each other. What is more, old intra-regional relationships are in the process of being redefined and new ones are being established. This is just one example of the region's dynamism and changing security texture.

Fourth, despite setbacks such as the Asian financial crisis or the spates of SARS and avian flu, regional economic interdependence has increased and countries are successfully focusing their priorities on socioeconomic improvements. The fundamentals for economic prosperity, such as openness and legal frameworks, are improving across much of the region. Even holdout states are slowly reconsidering their self-imposed isolation and poverty.

Fifth, despite the dizzying diversity of the Asia-Pacific and the presence of different types of regional governments, the overall trends point toward more political openness and more robust civil societies. It is stunning to note that nearly a dozen elections have

been or will shortly be held across the Asia-Pacific's vast expanse. Aspirations for a voice in the affairs of one's country are not isolated to any culture, faith, economic level, educational level, or social condition.

Sixth, although the Asia-Pacific's efforts at building multilateral institutions and regional integration ebb and flow, they persist. East Asia's efforts in this area are distinctive and do not simply mimic efforts in any other part of the world. The dynamics, norms, and pace of Asia's regional institutions reflect the comfort level and consensus of the region. This multilateral, integrative effort offers an opportunity to manage disputes and build cooperation in ways that were nearly unimaginable a decade ago. However, by the same token, one should not expect these multilateral institutions to solve bilateral disputes or to reconfigure the regional balance of power any time soon.

Finally, and importantly, the positive role of the US is a baseline for the Asia-Pacific's hopeful outlook. It is to the role of the US that this analysis now turns.

The United States in the Asia-Pacific

US interests and equities continue to grow in the Asia-Pacific region. Not only are five of seven of its treaty partners (Japan, Republic of Korea, Thailand, Philippines, and Australia) in this region, but the US is also now building new relationships with a number of other regional countries. The US has reinvigorated ties with India, Pakistan, Malaysia, Singapore, and Vietnam, just to name a few. On the economic front, two regional states, China and Japan, are

the largest foreign holders of US debt. Trade with the Asia-Pacific region steadily climbs, and the importance of the US as a trading partner for countries like China continues to grow even as intra-Asian economic links expand.

The presence of the US is viewed as useful not only by formal treaty allies and close friends but also by other regional countries who appreciate the contributions that the US makes to peace and prosperity in the Asia-Pacific. Countries that were previously critical of America's regional role, such as India, have become less so.

Given its national interests and how it views its regional role, the US has many priorities. The most important of these, from the perspective of dealing with the possibility of strategic resets and ongoing security ripples, is to maintain alliances, friendships, relationships, and the forward presence of American forces or what Admiral Fargo characterized as "reinforcing the constants."

The US is currently working with allies, friends, and partners in the Asia-Pacific to adjust bilateral relationships to take into account the challenges of this century, rather than sticking with the static postures created in the last one. Hence, the US is working with South Korea and Japan adjust the alliances to meet immediate national defense needs and to provide essential and growing contributions to regional and global security. In Southeast Asia, the US is working with Thailand and the Philippines, among others, to build regional law enforcement, intelligence and other capacities to combat terrorism, piracy, drugs, and other transnational threats. President Bush stated his intention to transform relations with India into a "strategic relationship" and much progress has been made. Meanwhile, the US is also cooperating with Pakistan. Australia is an

ever-closer ally, and discussions on a strategic framework between the US and Singapore signals a new era of partnership. Relations with China are candid and complex, and the US welcomes its constructive engagement in the region. The Korean Peninsula is just one of the areas where the US and China are working together. Finally, the Pacific Command takes the lead in many exchanges and activities with friends in the South Pacific.

The US also welcomes expanding regional cooperation and integration in East Asia, and these efforts are critical to addressing transnational challenges. However, the US seeks an East Asia that is open and inclusive and will work for a regional architecture that allows states to build partnerships with each other as well as partnerships with the US. The US is an active contributor to the ASEAN Regional Forum (ARF), Association of Southeast Asian Nations (ASEAN), and Asia-Pacific Economic Cooperation (APEC). The US wishes to work with these institutions to foster partnerships to solve problems, not just to talk about them.

Initial Bush Administration Policies Towards Asia

The Bush administration took office with several planned policies toward Asia. The first priority was to revitalize relations with “allies and friends.” The first of four goals identified in the Quadrennial Defense Review (QDR)—much of which was written prior to 9/11 and released two weeks after the attack—is “Assuring allies and friends of the US’s steadiness of purpose and its capacity to fulfill its security commitments.”³ This emphasis on allies and friends was

³ Department of Defense, Quadrennial Defense Review Report, September 30, 2001, p. 11.

calculated to signal a divergence from the Clinton administration, which the Bush administration perceived as having neglected America's key partnerships. Hence, the Bush administration initially sought to focus on the Republic of Korea (ROK or South Korea) over the Democratic Peoples' Republic of Korea (DPRK or North Korea), Taiwan over China, and, most importantly, Japan.⁴ Australia, too, received considerable attention from the administration. With slightly less emphasis, the Bush administration revived consideration of a number of Southeast Asian friends, including Singapore⁵, Thailand, and the Philippines, and sought restored but limited military links with Indonesia. Indeed, the concept of an "East Asian littoral," articulated in the QDR, gives importance to Asian friends beyond the traditional allies of Japan and the ROK.

As a second priority, the emphasis on "allies and friends" was also designed to reinforce ideological components of US foreign policy (i.e., democracies, open markets), American primacy in the region based on politico-military relationships with welcoming partners rather than engagement through weak multilateral organizations, a revised regional threat assessment, and a distinction between those countries the US considers like-minded, cooperative, and non-threatening and those it does not. Whether those countries

⁴ The top Asia hands in the Bush administration were and/or are Japan rather than China "hands" (e.g., Under Secretary Armitage, Assistant Secretary Kelly, and the National Security Council's Patterson). Dr. Green, a Japan hand, is now senior director for Asia at the National Security Council and Mr. Kelly has been replaced with Ambassador Christopher Hill, an experienced Asia hand. Under Secretary Armitage has been succeeded by Robert Zoellick, another expert on Asia, including Japan.

⁵ Assistant Secretary of State for East Asian and Pacific Affairs James A. Kelly noted at his confirmation hearings that "...Singapore, a longtime friend that is not a treaty ally, recently completed new port facilities specifically designed to accommodate visits by US aircraft carriers."

that the US considers “allies and friends” desired the level of attention, interaction, and expectations that the Bush administration seemed keen to provide is another matter. For example, Japan’s ability to meet the bold and expectant milestones that some in the administration desired was (and is) an open question. On the Korean peninsula, the administration initially undertook a lengthy and ominous-sounding policy review regarding North Korea, causing considerable anxiety for its “key ally,” South Korea. Some other administration emphases and initiatives were not necessarily helpful to revitalizing “alliances and friendships.” A case in point was the administration’s early approach to China.

The Bush administration began with contradictory views of China. On the one hand, it regarded China as, in Secretary Colin Powell’s words, a “competitor, a potential regional rival”⁶; on the other, it planned to treat China as a less central player in US–Asia policy. Both approaches deviated sharply from the Clinton administration’s formulation of China as a “strategic partner” and de facto treatment of it as the centerpiece of the US–Asia relationship. Secretary Powell’s statement that the US would “treat China as she merits”⁷ appeared to refer not only to competition and rivalry, but also to its proper weight relative to other regional countries. A pattern of statements and contacts was further evidence of an intention to take China off the center-stage of US–Asia policy.⁸ The apparent contradiction of treating China both as a “potential rival” and as “peripheral” was really not a contradiction after all. By treating China as a less integral and determinative country in Asia’s international

⁶ Prepared Statement of Colin L. Powell, Secretary of State-Designate, January 17, 2001.

⁷ Ibid.

relations, the administration reinforced China's distinctiveness from America's allies and friends while simultaneously highlighting its potential threat. Notwithstanding the administration's nod that "Japan, South Korea, Australia, and our other allies and friends in the region have a stake in this process of nurturing a constructive relationship [with China]...And we will want to work with them..."⁹, the fact is that some significant gaps existed initially between "allies and friends" and the US in dealing with China.¹⁰

A third characteristic of early Bush administration policy in the Asia-Pacific was resistance to South Korean President Kim Dae-Jung's "sunshine policy" of engagement with North Korea. The administration immediately halted official contacts with the North. There was to be no follow-up of Secretary of State Albright's visit to Pyongyang and there most emphatically was not going to be a presidential visit, as had been contemplated during the waning days of the Clinton administration. Apart from the launch of a policy review, one immediate and substantive divergence from the Clinton administration's approach toward the peninsula was the new administration's complaints about North Korea's conventional force posture, in addition to concerns about missiles and "unconventional weapons." The administration's DPRK policy complicated the

⁸ Despite the administration's desire to calibrate China's place in the region, it was difficult to do so. The first country to which then Secretary of State-designate Powell turned his attention in his confirmation hearings was China. A couple of months later, in a prepared statement at his confirmation hearings, Assistant Secretary of State Kelly made a brief reference to Japan but immediately turned to China—perhaps understandable in the aftermath of the EP3 incident three weeks earlier.

⁹ Prepared Statement of Colin L. Powell, Secretary of State-Designate, January 17, 2001.

¹⁰ See Ronald Montaperto and Satu Limaye, "Asians on America: Real Problems Don't Get US Attention," *International Herald Tribune*, July 26, 2001.

emphasis on “allies and friends,” particularly with the ROK (and to a lesser extent with Japan).

A fourth and much-missed facet of the Bush administration’s Asia-Pacific policies was the intention to “transform” relations with India. Interestingly, this policy was the most consistent carry-over from the Clinton administration. An improvement of relations with India was predicated on a number of factors, two of which specifically involved East Asian considerations. Planned emphasis by the U.S. to India’s role in the wider Asia-Pacific context was evident in the fact that the “Bush administration reorganized the National Security Council staff such that India is now the responsibility of the Senior Director for Asia rather than the Senior Director for the Middle East”.¹¹ The first was the rise of China. Although both the US and India officially reject an improvement of their relationship based on third-party considerations, at least some in India and the US see possible threats from China as a basis for enhanced relations. A second driver of improved relations with India, especially in the military field, was the intended adjustment of US military forces in the Asia-Pacific. India was seen as a possibly promising partner for a range of military cooperation.

In the military and defense realm, several elements composed the Bush administration’s initial approach to the Asia-Pacific. The first element was a greater emphasis on Asia. Of the five “critical areas” described in the QDR, three encompass Asia (Northeast Asia; the East Asian littoral, stretching from south of Japan through Australia and into the Bay of Bengal; and Southwest Asia).¹² The administration

¹¹ Professor Harry Harding, “The Bush Administration’s Approach to Asia: Before and After September 11,” Speech to The Asia Society, Hong Kong, November 12, 2001.

initiated numerous studies as part of a planned process to re-allocate US resources, personnel, and attention to the region. Second, the QDR articulated plans to re-deploy military assets to East Asia and to increase “access” for US forces in the region. Specifically, “[t]he QDR...calls for an increase in aircraft carrier presence in the region..., increased contingency stationing for the US Air Force..., and the possibility that three or four more surface combatants..., and a yet to be converted Trident-class SSGN (with capability for ‘stealthy’ cruise missile strikes), could be forward stationed in East Asia.”¹³ Third, “theater engagement” was replaced by “theater security cooperation,” indicating an emphasis on access, interoperability, and intelligence cooperation. Both the proposed re-deployments and the move from military-to-military engagement to security cooperation suggested a more military-oriented approach to regional security based on repeated administration warnings that war in Asia was more probable than in Europe. Fourth, there was to be a continued commitment to forward-stationed forces, although these forces were to be adjusted in scale and location to meet a range of missions and to respond to technological innovations. Finally, the commitment to missile defenses was in part aimed at “undermining China’s growing strategic capability”¹⁴ and at threats from rogue countries with WMDs.

The Bush administration’s skepticism about regimes, treaties, and multilateral organizations was another major feature of the early approach toward Asia and elsewhere. The Bush

¹² Europe and the Middle East were the other regions identified in the QDR.

¹³ Admiral Michael McDevitt, “The Quadrennial Defense Review and East Asia,” PACNET #43, October 26, 2001.

¹⁴ Professor Harry Harding, “The Bush Administration’s Approach to Asia: Before and After September 11,” Speech to The Asia Society, Hong Kong, November 12, 2001.

administration's objective was a US foreign and security policy built on self-reliance—itsself based on unrivalled (and not to be rivaled) power, assured self-defense (e.g., through missile defense), flexibility (fewer regime and treaty commitments), and key bilateral relationships around the globe. The Director of Policy Planning at the State Department, Richard Haas, famously spoke of “a la carte multilateralism,” a formulation apparently designed to suggest that multilateralism was not rejected out of hand but would be engaged in only as and when the US chooses to participate. The favored phrase in President Bush's White House for more than one country working with the US was “coalition of the willing.”

In its tone, rhetoric, and style, the early approach of the Bush administration to security in the Asia-Pacific gave the appearance of being a major departure from the Clinton administration's policies. However, within just a few months of taking office and before the events of September 11, adjustments were already being made that suggested the break from the previous administration was not going to be as sharp as many expected. And following the attacks of September 11, a new dimension was added to US-Asia relations..

US-Asia Relations Post-9/11

Several notable developments in US-Asia relations occurred over the past half-decade. First, relations with allies and friends generally have been strengthened. This is especially true of US relationships with Japan, Australia, and the Philippines. Japan, for example, adopted new legislation allowing the Self-Defense Forces (SDF) to provide support to US and other forces participating in Operation Enduring

Freedom. Japan has also sent a reconstruction team to Iraq. With the Philippines, the US recently signed a logistics agreement that would have been unlikely prior to 9/11. US security ties have increased with Singapore, Malaysia, and Thailand as well. The Philippines and Thailand have been accorded by the U.S. Major Non-Nato Ally status. Dealings with Indonesia are more complicated, but considerable (and successful) efforts are being made to work with Jakarta on counter-terrorism. In the case of US relations with Japan and Australia, 9/11 had the effect of improving relations considerably. ¹⁵ US relations with the ROK are complicated by the problem of North Korea, including the Bush administration's policy review, the "axis of evil" speech, and responses to Pyongyang's clandestine uranium enrichment activities. However, Seoul and Washington are currently participating in the six-party talks designed to end the nuclear crisis created by North Korea, and success on this front could reduce a number of challenges to US-ROK relations.

Concerns and constraints in US relations with friends and allies in the Asia-Pacific regarding the war on terrorism still exist. The level of priority given to military solutions, the asymmetry of resources and capabilities between the US and regional states, and the delicate domestic balances required to conduct counter-terrorism efforts require close, consistent dialogue with "allies and friends." For the most part, the administration has been mindful of these challenges. The US recognizes that countries

¹⁵ The US-Japan alliance was dealing with the Ehime Maru accident, and US-Australia relations were complicated by "Canberra's lukewarm response to Deputy Secretary of Defense Richard Armitage's [sic] comments that the test of a faithful ally was its willingness to shed blood on behalf of the United States." See Harry Harding, "The Bush Administration's Approach to Asia: Before and After September 11," speech to the Asia Society, Hong Kong, November 12, 2001.

will cooperate with the US at levels and in ways that they can afford to—sometimes openly, sometimes not. The US also will need to continue to be sensitive to the impact of sensible US decisions (e.g., warnings to US citizens that they might face dangers in certain parts of Asia) on the economies and societies of Asia. Nevertheless, on the whole US relations with “allies and friends” have been strengthened in the wake of 9/11 and the global war on terrorism (GWOT).¹⁶

A second notable development in US–Asia relations involves the US and China. The relationship, although still highly complex and fragile, generally has become less confrontational. Most obviously, the administration’s early attention to China has ebbed as the demands of counter-terrorism and Iraq have taken top priority on the American agenda. This development does not appear to be unwelcome to China. Even before the events of 9/11, and especially after the EP3 incident in April 2001 was settled, Washington and Beijing fashioned a less prickly relationship. However, stability and a certain pragmatism in US–China relations has not diminished all of the administration’s concerns about China, such as “Chinese involvement in the proliferation of missile technology and equipment”¹⁷ and human rights. The Taiwan issue continues to be a constraint to US–China relations, but even here both sides have sought to walk a fine line.

¹⁶ “In leading the campaign against terrorism, we are forging new, productive international relationships and redefining existing ones in ways that meet the challenges of the 21st century.” President Bush, “Strengthen Alliances to Defeat Global Terrorism and Work to Prevent Attacks Against Us and Our Friends,” Delivered at the National Cathedral (Washington, D.C.), September 14, 2001, p. 7. An excellent review of US efforts with Asian partners may be found in the “Statement of James A. Kelly, Assistant Secretary of State for East Asian and Pacific Affairs before the House International Relations Committee’s East Asia and Pacific subcommittee,” February 14, 2002.

In a third development, US–India relations are improving. The July 2005 visit by India’s Prime Minister Manmohan Singh to Washington was successful and has likely cleared the way for civilian nuclear cooperation between the two countries. However, the road to improvement has not been entirely smooth and it will not be in the future. Differences in opinion regarding Pakistan, infiltration of terrorists into Kashmir, and, most important, structural problems in US–India relations (such as poor trade and investment ties) continue to constrain the transformation of US–India relations.

A fourth development in US–Asia relations concerns the initially contemplated changes in US military and defense policies toward Asia. Although not abandoned, they remain further downstream. However, other changes may be sped up and changes not envisioned two years ago might yet occur. For example, the GWOT has simultaneously increased attention to Southeast Asia (or the East Asian littoral) while diminishing attention to broader strategic issues in Asia as the war on terrorism has gone global and the US is prosecuting wars in Afghanistan and Iraq. Pre-QDR speculation that the US would shift its strategic focus from Europe to Asia has faded. Indeed, while it is common to speak of Southeast Asia as a “second front” in the war on terrorism, US defense officials such as Deputy Secretary of Defense Paul Wolfowitz have insisted that the problem of terrorism is global (including in the US) and not restricted to a particular region or country.¹⁸ The July 2005 London and Sharm el-Sheikh bombings have illustrated the global activities of terrorists. Interestingly, the American public now regards Europe, and US partners in Europe, “more important to

¹⁷ Secretary of State Colin Powell, “Remarks at Asia Society Annual Dinner,” New York, June 10, 2002.

the US than Asia, and more see the countries of the European Union as reliable partners in the war on terrorism than any other country asked about.”¹⁹ Whether such attitudes will persist is unclear. In any case, the policy attention now being given to Asia, especially Southeast Asia, is more negative than positive. The GWOT has sped up the transition from military “engagement” to military “security cooperation” as the US works with a number of partners in Asia on counter-terrorism. Indeed, capacity building of partners in the fight against terrorism is now an important activity in relations with Asia and countries across the globe. In the current environment, it is unlikely that any dramatic steps will be taken regarding US forward stationed military forces, though the US government continues to examine force structure and footprint in Asia, as elsewhere, as part of the effort to “transform” the US military and to respond to a range of contingencies.

Finally, over the last half decade, the US commitment to multilateralism has increased in the context of the GWOT. Much has been said and written about a retreat from multilateralism by the US, but, at least in terms of the war on global terror, multilateralism has been an important component of US policy. The US has worked with ASEAN as a whole, in addition to member countries individually, on counter-terrorism. With the ARF, for example, the US has launched workshops for senior officials on financial counter-terrorism measures. Similarly, the US is working through APEC on a number of initiatives, including aviation and maritime security and customs enforcement. Still, the utility of regional institutions to the GWOT

¹⁸ See Deputy Secretary Wolfowitz’s interview with CNN International, November 5, 2002.

¹⁹ See *Worldviews 2002: American Public Opinion & Foreign Policy*, Chicago Council on Foreign Relations, released in November 2002.

will be mixed and they will not be the prime focus of US policy. Most Asia-Pacific countries will focus on local dimensions of the problem, and they disagree as to what the problem is and how it should be dealt with. Hence, while the Bush administration is still somewhat skeptical of multilateralism, the GWOT has led it to try and pursue its counter-terrorism efforts with the support of and through, rather than against, these multilateral mechanisms—without ceding the right to act unilaterally.

The net effects of the events of 9/11 and the ensuing GWOT on the U.S.'s evolving approaches to Asia-Pacific security, as initially outlined by the administration, have not been changing and are generally sound.²⁰

Challenges Ahead

At least six challenges confront the management of US relationships in the Asia-Pacific. First, policy priorities must be calibrated and coordinated. For the US government right now, and for the American public (according to recent polling data), terrorism and stemming the proliferation of WMDs top the agenda. In Asia, however, internal and external priorities encompass, but do not rest on, these US priorities. One priority that the Asian states share is what might be called the “US factor”—both maintaining good relations with the US but also using the US to meet its own objectives—but this is buffeted by other priorities.

²⁰ For more details by the same author, see Satu P. Limaye, “Almost Quiet on the Asia-Pacific Front: An Assessment of Asia-Pacific Responses to US Security Policies,” in *Special Assessment: Asia-Pacific Responses to US Security Policies*, Asia-Pacific Center for Security Studies, Honolulu, March 2003.

Second, managing expectations is a substantial challenge. For example, US expectations regarding Japan's willingness to play an important politico-security role are perhaps too high to be sustained given a Japanese public that is still cautious about the use of the military and involvement in conflicts. The recalibrated US–China relationship comes with its own set of mutual expectations that have implications for the Cross-Straits situation.

Third, relationships moving from traditional deterrence alliances to what might be called “alliances of the willing” must be managed. Japan and Australia are good examples of this phenomenon. This shift has potential implications for inter-operability, presence (whether forward deployed or other forms), and defense acquisitions, among others.

Fourth, changes in one relationship have ripple effects for others, which can create challenges. For example, in the context of the Cross-Straits situation, improvements in the US–Japan relationship affect Japan–Taiwan relations and Sino-Japan relations, and improvement in US–Australia relations has had spillovers for Australia's relations with both Taiwan and China.

Fifth, various security approaches need to be managed simultaneously. Asia's new bilateralism, both between the US and regional states and within the region itself, has potentially significant implications for a region that is also experimenting with different forms of institution-building and regional multilateral arrangements.

A sixth challenge is the growing divide between the public and the government of Asian countries regarding relations with the U.S. Government-to-government ties between the US and the Asia-Pacific are quite sound, but public attitudes about the US

have shown a downturn. The US needs to improve its image in the region, and Asian governments need to do a much better job of explaining to their publics the rationale for and gains from cooperation with the US.

Chapter 5

China and the Asia-Pacific: A Russian Perspective

Alexander Kozhevnikov¹

Introduction

The cornerstone of the Chinese global strategy has been the creation of favorable conditions (in national security, economy, and policy) for carrying out its domestic reforms. Several priorities characterize China's external strategy. The first is maintaining relations with leading powers, especially the US. The second is sustaining relations with neighboring countries, primarily Russia, Japan, and India. The third priority is promoting multilateral regional cooperation in the Asia-Pacific. It is in this region that China is trying to build full-scale and diversified political, economic, humanitarian, and other relations. During the last few years, China has increased its interaction with neighboring countries and has achieved some evident results.

The main goal of China's foreign policy in the Asia-Pacific is to achieve leadership, but a "soft" rather than a "domineering" leadership. At the same time, China does not want the US to withdraw from the region, fearing that regional stability and security might be compromised. In the security sphere, China seeks to maintain permanent high-level relations, to pursue regular dialogues,

¹ *Alexander Kozhevnikov is deputy director of the Institute of Oriental Studies at the Far Eastern National University, Vladivostok.*

and to coordinate approaches to major global and regional issues with all neighboring countries. Foreign economic strategy is another important pillar of China's regional strategy, as the Chinese are confident that the economic significance of both it and the Asia-Pacific region will grow.

China uses several tools in conducting its policy toward the Asia-Pacific region. One of them is fostering and influencing international organizations. China has been trying to create a network of different regional organizations along its borders. In Southeast Asia (SEA), China bases its policy on cooperation with ASEAN and uses various frameworks, such as the ASEAN–China Dialogue. China actively also supports establishing and participating in a Free Trade Area in SEA. In recent years, China has been paying greater attention to the Shanghai Cooperation Organization (SCO), which is becoming one of the main instruments of China's policy toward Central Asia and Russia. According to some views, establishing an international organization in Northeast Asia (NEA) could ease tensions between China and Japan and also become an efficient tool for conflict management and resolution in the NEA subregion. The history of Sino-Russian relations is very complicated, but at the beginning of the 21st century both countries realized the necessity of building a strategic partnership, which was to include all aspects of ties between the two sides. China is one of Russia's key partners in the Asia-Pacific, thus China's role in Russia's Asia-Pacific policy has been consistently increasing.

China's External Global Strategy

During the last two decades of the 20th century and at the beginning of the 21st century, China's economic strength rapidly increased and it was fairly successful at solving its social problems. Internal reforms modified China's role both globally and in the Asia-Pacific. It has changed from being the target of other countries' policies to being an active and growing force in the world and in Asian politics. China has transformed from a "closed" by a "bamboo curtain" orthodox communist power into an "open" Eastern country that is constantly changing, attracting enormous foreign capital, and cooperating with the rest of the world. Providing conditions for the implementation of reforms and the transformation of China into a developed power became the chief goal of its foreign policy.

In the 1990s, China took a major step in its foreign strategy, setting a course toward its active inclusion in economic globalization. The strategy "to go outside" began to guide China's external activity. China considers its entry into the World Trade Organization to be its main achievement of recent decades: It illustrates China's understanding that it has to take global challenges into consideration when shaping its foreign policy.

Thus, the reforms and global challenges now determine the global and regional policies of the People's Republic of China. China's global strategy includes four main goals:

1. To create efficient, constructive, and predictable relations with all great powers and supporting the country's image as a great power both at home and abroad.

2. To build good, neighborly relations with all countries of the region. Since the beginning of its reforms, China has normalized relations with Russia, Vietnam, and Central Asian countries and has been conducting an active dialogue with India and SEA. China wants to convey to the 15 neighboring countries that they it poses no threat to them.
3. To participate in global multilateral projects and organizations, in which China has already become more active. China continuously supports the leading role of the UN in solving world conflicts and disputes. At the same time, taking into consideration the present trends, China wishes to strengthen its own role in global affairs. In this sense, it is not surprising that China may be contemplating joining the “G-8.”
4. To assume some international obligations to maintain international security. However, China is very punctilious and cautious in selecting specific directions and the extent of such obligations. China will support interference into individual state’s internal affairs only if this state asks for international aid and/or this interference is approved by the UN.

In summary, even though China is mostly a regional power, it is trying to play a more significant role in global affairs.

China's Asia-Pacific Regional Strategy

China's regional strategy is closely connected with its global strategy. Being an Asia-Pacific country, China concentrates its main international activity in this region. The Asia-Pacific is the only region in which China pursues all aspects of its national interests, including security, economics, and politics.

In China's view, the Asia-Pacific is the region of the world in which most of the great powers have interests. Therefore, China's number one goal is to maintain efficient, constructive, and predictable relations with all countries that have power in the region, such as the US, Russia, Japan, and India, in order to prevent China's isolation and encirclement by these other powers. Despite certain frictions with the US and Japan, China is conscious not to let relations deteriorate below a certain point.

China and Security Issues in the Asia-Pacific

Being a regional power in the Asia-Pacific, China actively participates in resolving regional conflicts that arise near its borders. If conflicts break out in regions far removed from its borders, China involves itself only through the mechanism of global institutions, first and foremost the UN.

Examples of China's involvement in security issues in the Asia-Pacific include its active role in seeking a resolution to the nuclear problem on the Korean peninsula; such a resolution will be impossible without China. China also has alleviated the tension of border disputes with regional countries, leaving their final resolution

to “future generations.” Although China continues to have territorial disputes with India, Japan, and the countries of SEA, it is considering putting those disputes aside because it believes that maintaining good relations with its neighbors is more important. The signing of the final border agreement with Russia in October 2004 completed the protracted efforts of both sides to legalize the borderlines. However, it is too early to close this matter; in Russia many continue to fear that China’s historical claims to vast territories of the Russian Far East are not over yet.

China’s activities in the promotion of regional security are very flexible. The country is ready to decisively ward off new threats. For example, the threat of terrorism forced China to broaden cooperation with neighboring countries in very delicate spheres: between intelligence services and the militaries. As a result, in 2005, the Chinese People’s Liberation Army held bilateral military exercises with Russia and India despite the fact that, in the past, China had serious disagreements with those countries, including armed border conflicts.

China’s Regional Foreign Economic Strategy

At present, East Asia accounts for 70 percent of the world’s GDP increase. China has already become the driving force of the regional economy and is trying to retain this role. During the Asian financial crisis in 1997–98, China’s behavior was greatly appreciated throughout the world: It was this crisis that actually demonstrated China’s regional economic clout.

China understands that, economically, it is a regional power with a steadily growing influence that will continue to grow as long as its GDP increases and domestic economic reforms are implemented. The economic strategy “to go outside” primarily concerns entering the markets of the neighboring countries and territories. It is very important for China to create such a political, economic, and cultural climate with neighboring states so that they are not alarmed by its economic growth. This issue concerns Russia, the ASEAN countries, and China’s other neighbors.

China’s economic interest in the Asia-Pacific will allow countries in the region to ease historical and political barriers to developing regional ties. A good example is Japan, which has already been China’s biggest trading partner for quite some time. Perhaps it was the scope of Sino-Japanese economic cooperation that became the major factor in smoothing the political friction between the two countries in April 2005. This cooperation has also tended to neutralize the territorial dispute between the two powers.

At present, India is one of the world’s leaders in programming business and China is successful in electronics. Economic cooperation between China and India will allow these two large Asian states to moderate their long-standing historical contradictions, and the visit of Wen Jiabao to India at the beginning of 2005 reaffirmed this growing will for bilateral improvement.

China and the United States

China regards the US as its main partner. Even though China does not demand US withdrawal from the Asia-Pacific, it insists that the

US respect China's interests in the region and refrain from pursuing anti-Chinese policies. The focal point of contention between the two countries is Taiwan, and China is not ready to yield to anybody, including the US, on this issue. The Anti-Secession Law, adopted by China's National People's Congress in March 2005, recently reaffirmed this stance.

The US and China have a number of other disagreements as well, including the problem of "human rights" in China and the status of Tibet and Xinjiang. However, despite these disagreements and incidents (e.g., the bombing of the Chinese embassy in Yugoslavia, forced landing of a US spy jet in Hainan in 2001), both the US and China are careful not to let relations deteriorate below a certain point. The two countries are interdependent economically and a break in their relations would be unacceptable to both of them. The situation on the Korean Peninsula is clearly becoming an urgent global and regional problem for the US and China and could result either in a convergence of positions or growth of acute tensions between the two countries.

China and Southeast Asia

Cooperation with SEA is one of the priorities of China's regional strategy. The region is important for China not only because it borders on the southern parts of China, but also because it is located in the immediate vicinity of the Pacific and the Indian oceans, is rich in natural resources, and has been rapidly developing in recent decades. In addition, many ethnic Chinese people (*huaqiao*) live in SEA, and traditional Chinese culture and Confucianism are quite influential in

this region. At the same time, contradictions between China and the states of this region still exist. For example, not all of the disagreements with Vietnam have been resolved. The most controversial issue, however, is the territorial jurisdiction of some islands in the South China Sea that are rich in oil resources.

The cornerstone of China's strategy in the Asia-Pacific is the broadening of cooperation and dialogue in all spheres. At the same time, China does not want any extra-regional state to dominate here. China's reluctance to agree to the presence of other countries in the region triggers serious concern on the part of other regional states because it could lead to China's exclusive domination. As a result, to avoid the growth of "fear of China" in SEA, China has not demanded that other states withdraw from SEA, but it insists that they not increase their military presence.

China places high priority on economic cooperation with ASEAN. The growth of trust afforded to China as an economic partner was evident after the financial crisis of 1997–98. For the ASEAN states, China's stable yuan and vast market became the anchor and hope for rapid revival. The most advanced project in the field of economic cooperation now is the creation of a Free Trade Area (FTA) between China and ASEAN. China supports the creation of FTAs with all neighboring states, but only the project with ASEAN holds much promise at present. In the southwest, China is trying to build economic relations with the countries of the region on the basis of the "Kunming initiative" and the program of "Large Mekong".

The devastating natural disaster in SEA at the end of 2004, caused by the earthquake and tsunami, was another challenge for China's policies in the region. It had to demonstrate its willingness

and ability to render real help both in the first extreme period of rescue operations and at the following stage of economic reconstruction to prove that it is a reliable and effective friend and partner for the countries of SEA. Right after the tsunami, China provided emergency aid to the affected countries. According to official figures, by January 21, 2005, the total amount of aid offered by both the government and the people of China topped 1 billion yuan (US\$120.5 million). The aid provided by the government is the largest ever both in terms of scale and value. The Chinese government also sent close to 150 medical and relief workers to Thailand, Sri Lanka, and Indonesia. It is very difficult for China to compete with the US, Japan, and Europe in the amount of aid it can send, but besides grants and supplies of materials, China is actively participating in several international programs for reconstruction and revival of tsunami-affected countries and in the creation of information-sharing programs such as a digital earthquake monitoring network, a regional disease-monitoring network, and post-disaster epidemic prevention. China has also made efforts to aid the tsunami-affected countries through the Asian Development Bank, of which China is the third biggest shareholder.

China and India

The Indian vector is one of the most complicated in Beijing's regional policy: There were so many conflicts between these two great Asian states in the past and some complicated unsettled problems still persist. However, during the last two decades both states made serious efforts to relax tensions between them and to solve their problems.

Some Chinese experts correlate the basis of Sino-Indian rapprochement with the beginning of large-scale internal reforms in India in the 1990s. Thus, the reforms now underway in both countries cannot but bring them closer, and this has already resulted in a number of bilateral projects and in the increase of economic cooperation. The dialogue has been broadening in all spheres and at all levels. The visit of China's Prime Minister Wen Jiabao to India and the meeting of Foreign Ministers of Russia, China, and India in Vladivostok in June 2005 testify to this tendency. China and India are slowly moving to resolve the most complicated territorial disputes. At the same time, many areas of potential conflict still exist: the borderline issues, the "Tibetan question," military cooperation between China and Pakistan, etc. If China increases its military presence in the Indian Ocean, India's distrust of China will grow considerably as well.

China and Japan

Sino-Japanese relations are very complicated as well. On the one hand, Sino-Japanese economic ties are tremendous and the two countries are clearly interdependent; on the other hand, various contradictions and disputes repeatedly break out. The main reason for these disagreements is the struggle between China and Japan for leadership in East Asia.

During the financial crisis in 1997–98, China preserved stability and supported the economy in the Asia-Pacific region. At that time, it seemed that China was becoming the main driving force of regional development. However, the obvious leading role of Japan in providing aid to tsunami-affected countries shows the limitations

of China's ability to become the regional economic leader. It is these circumstances, perhaps, that provoked the recent anti-Japanese outbreaks in China.

The Problem of the "China Threat"

One of the serious problems in China's relations with neighboring countries is the presence of the so-called "China threat." This fear of China exists in practically all neighboring countries, confirming that the problem is real and important. China understands that this problem is serious, and this perception is very unpleasant for the country. Therefore, China has developed a coherent strategy to reduce and contain ideas about the "China threat."

In the political sphere, China usually cedes the initiative to its neighbors in determining security and cooperation priorities. For example, China supports all proposals by ASEAN countries on providing security and economic cooperation without imposing its own ideas about the forms and directions of cooperation. All of the latest regional initiatives—the ASEAN–China Dialogue, the establishment of a Free Trade Area in SEA with China's participation—have been launched by the countries of the SEA themselves, with China actively supporting them. In addition, China does not overstress its leading role in the SCO, although it is very interested in the SCO's effective work in controlling the situation in Central Asia. The initiative within SCO is often ceded to Russia or Central Asian states.

China does not insist on the establishment of a free trade area between Japan, South Korea, and China, although it is interested in this project and is backing this initiative. Such low-key behavior by China is in no way an indication of its weakness or readiness to waive national interests; it is only a means of achieving its strategic goals. If anything challenges the interests of China, its reaction will be immediate and tough.

The most important way to reduce the fear of China is through economic activity. In recent years, China has been actively promoting the idea of the so-called “co-development” of China and the neighboring states and regions. This strategic idea is based on the understanding that Chinese reforms must also benefit the people in neighboring states and regions and that China’s successful economic development can be continued only if its neighbors are successfully developing too.

Overall, it is very important that China eliminate the perception that it is a threat to its neighbors and also that it become the “hope” for the states and regions of the Asia-Pacific. In China’s view, the most effective way to do this is to transform into a powerhouse of regional growth, which could transform the Chinese market into a regional market. Ultimately, after 5–10 years China could become one of the largest capital and technology investors for the ASEAN states, Russia, etc. Some experts argue that China is already capable, or could be capable in the near future, of replacing Japan as the economic center of East Asia. However, the Japanese form of regional leadership, which is based on the closing of its domestic market, large-scale investments into the region, and transfer of some businesses into neighboring states, does not appeal to China.

It prefers the American method of economic leadership: opening its market to the neighbors' goods and promoting interdependence.

The cultural factor also will play a certain role in eliminating the "China threat." At the turn of the 21st century, China adopted a special program to considerably extend the teaching of Chinese abroad and to spread Chinese culture through the development of Confucian centers. The program especially targets China's neighboring states and regions. China believes that if foreign people know more about Chinese culture, the fear of China will certainly decrease and China will gain new friends and admirers. This illustrates why China must increase its role in humanitarian and cultural spheres as well as in global and regional politics and the economy.

Domestic Projects and Foreign Policy

China uses one more instrument in promoting its policy in the Asia-Pacific: domestic regional programs. For example, in the 1980s China actively supported the development of its eastern coastal provinces, which allowed it to increase and strengthen its ties with the countries of SEA, Japan, South Korea, and others. At the end of the 20th century, China launched a huge regional program—the Development of West—that has helped China to advance relations with the countries of Central Asia.

In 2003, one more regional program was launched: the Revival of the Old Industrial Base in Northeast China. Its goal is to speed up the development of China's three northeastern provinces—Liaoning, Jilin, and Heilongjiang—located near the Russian Far East, the two Koreas, Japan, and Mongolia. This program is primarily aimed at

developing China's domestic industry, but such development must certainly include an external component. Northeastern China needs to increase its cooperation with its neighbors and become the center of regionalism in NEA. However, this goal contradicts the policies of some other NEA countries. South Korea sees itself as the center of NEA regionalism, and Japan has its own ambitions as well. Under these circumstances, the formation of NEA regionalism is a very complicated process accompanied by multiple problems and tensions in political, economic, and humanitarian spheres.

The Russian View of China's Power Growth

Russian forecasts of China's growth are based on the understanding that China is increasingly becoming a global power and will certainly play a more significant role both in the world and in the Asia-Pacific region. Russians view this forecast in different lights:

- Positive. The growth of China's power is favorable to Russia. It will constrain the activities of the US in Asia and make the situation in the region more stable. The economic relationships with China will allow Russia to enlarge its presence in Asia-Pacific markets.
- Negative. The growth of China's power is dangerous to the Asia-Pacific and its neighbors. China has never stopped its expansionist policies, and this expansion was limited or stopped in the 19th and 20th centuries only because of the country's political and military weakness. As China's economy rises, expansionism will also increase and will threaten its neighbors,

including Russia. To counterbalance China, Russia has to strengthen its ties with Japan, India, and SEA Asia.

- **Mixed.** The growth of China's power and expansionism is undeniable. This is an objective law of history. It will depend on Russia itself whether China's growth will be favorable for it or not. If Russia itself revives and changes into a dynamically developing country, then its relations with China will be characterized by partnership and friendship, with Russia and China coordinating their policies in the Asia-Pacific in many fields. If Russia becomes weaker and moves to the backyard of modern civilization, China will stop viewing it as its partner and will gradually supplant Russia in the Far East, Central Asia, etc.

Chapter 6

China and the Asia-Pacific: A US Perspective

Elizabeth Van Wie Davis*

The attacks on the twin towers of the World Trade Center in New York and the Pentagon in Washington, DC, came as a terrible revelation to most people in the world. The insecurity of the new global environment is in sharp contrast to the relative peace of the 1990s. Clearly, the horrible events of September 11, 2001, were not on the same scale as the two cataclysmic world wars that revolutionized the world system in their wake, but the events did change the way both the Americans and the Chinese perceive the international system and thus the way they react to and within the system. The Chinese do not agree with all of the events that occurred in the aftermath of 9/11 or with everything about the current global order, but they are attempting to take advantage of the existing world order to resolve domestic issues and build a stronger, more modern China. All of this is reflected in China's approach to the Asia-Pacific and in the way the US views China's role in the region, both of which are part of the larger pattern of swings that has dominated the past four decades of this bilateral relationship.

The rapid modernization of China has increased its global influence at an impressive pace. However, this reemerging China faces the question of how to deal with the international system, the Asia-Pacific region, and the greatest power in both the region and the world, the U.S. China's national interests will be profoundly affected by

* *Elizabeth Van Wie Davis is a professor at the Asia-Pacific Center for Security Studies, Honolulu.*

these relationships. Within China, an important debate exists about how it should interpret US intentions and how it should pursue its own interests in a world characterized by American leadership. China's policy choices involve both interpretation of US motives and the balance of power between China and the US. In theory, benign or hostile US intentions and a favorable or unfavorable balance of power would result in rationally different policies.

Similarly, an American debate rages over whether a reemerging China will be a revisionist state that seeks to change world order or a status quo state that respects existing international rules. Some Americans argue that China is a revisionist state and the US therefore must pursue a containment policy to suppress China's power. Many others, however, believe that China will continue to play by the rules of the world's system for its own benefit, and the US dominates this system.

US-China ties got off to a rocky start in President Bush's first term after Washington redefined the bilateral relationship based on competition rather than mutual cooperation. Tensions were further heightened after a collision between a Chinese fighter jet and a US reconnaissance plane over the South China Sea shortly after Bush took office in 2001.¹ However, the subsequent American focus on the war on terror made China a valuable ally. Some, like former Secretary of State Colin Powell, have described the current era as the "best relationship that the US has had with China in over 30 years." However, now that the war on terror is no longer the exclusive prism through which Washington sees the world, wariness of China is once again on the rise.

¹ Antoaneta Bezlova, "China yawns at Bush freedom rhetoric" *Asia Times* February 4, 2005. <http://www.atimes.com/atimes/China/GB02Ad06.html>.

The US perspective of and the Chinese reaction to the existing international system and the Asia-Pacific region, both currently dominated by the US, cannot be honestly addressed without considering the what occurred during the post-Cold War era. There is too often the misconception that the post-Cold War era was merely a holding pattern until the true new shape of the international system emerged. In reality, several important shifts occurred during this time. One major shift, of course, was China's reemergence from an inward looking Third World power to a vibrant economic and political force. A second major shift was Russia's economic revitalization and its increased involvement with the US and the EU. Another shift was growing globalization², with its empowerment of transnational non-state actors. Yet another change was the increase in failed or dysfunctional states. The list continues with the EU's progression, especially with the implementation of the Euro; Japan's shift from an economic powerhouse to a country with slower growth and a more introverted nationalism; and the apparent Middle Eastern implosion.³ The most important shift, however, was the rise of the US as the sole superpower and the emergence of a unipolar system.

While the 9/11 attack certainly did not cause the US to become the sole hegemon, both the way the US was perceived and the way the US reacted forced the realization, albeit reluctantly by some, of the unipolar system. After the bipolar system between the US and the Soviet Union ended in 1989–91, many Americans initially continued to behave as if the world was still divided between two

² It is not my intention to engage in an indepth discussion of globalization. Stanley Hoffman delves into this admirably in "Clash of Globalizations," *Foreign Affairs* (July/August 2002):107–8.

³ Francois Heisborg, "Europe and the Transformation of the World Order," *Survival* Vol. 43, No. 4 (Winter 2001–02).

conflicting superpowers. Although scholars and policymakers acknowledged that only one superpower remained, this did not keep them from searching for the new great world power that would become the US's next contender—and China was one of the most obvious candidates given its size, form of government, and economy. Some in the American foreign policymaking and academic spheres still feel more comfortable elevating China to the status of future superpower and, thus, a power that should generate opposition.

After the disintegration of the bipolar system, most Chinese policymakers and scholars initially believed that a transition toward a multipolar system would occur. Many believed that although the US enjoyed a unique position of peerless power relative to other countries, its dominance was temporary, transitional, and not absolute. In part, this belief arose because the US was experiencing a relative decline with the rise of an integrated Europe, a viable Russia, and a reemerging China. At this time, the international system was faced with a transnational explosion of threats and commerce. A recent book by Liu Xuecheng, who is a senior research fellow at the Foreign Ministry's China Institute of International Relations, argued that "After the end of the Cold War, the multipolar trend accelerated in the Asia-Pacific region. A new system with five mutually balancing powers (China, US, Japan, Russia, and EU) is gradually emerging. More specifically, we can say that this is a world of multiple power centers."⁴

As the 21st century developed, however, many in China moderated their view of the multipolar system. US dominance is now

⁴ Liu Xuecheng and Li Jidong (eds), *China and the United States: Adversaries or Partners*, Beijing: Jingli Kexue Chubanshe, 2001.

seen as more enduring. For example, a recent article asserted that the US remains the critical state that affects the relations among the major powers. Chinese analysts now argue that the current system is best described as “One Superpower, Several Major Powers.”⁵ In this view, the US does not have the power to always act unilaterally because it shares power, especially economic power, with other countries.⁶ At present, a global reordering is emerging that will shake up local and global political structures, perhaps in surprising and unintended ways. This change was not created by 9/11 but was pushed to the forefront by 9/11.⁷

The US’s status as the sole superpower and the inability of China to significantly narrow the power gap in the near future has an important impact on China’s policy toward the US and the global order. Essentially, China has to choose whether it should accept and participate in a US-led unipolar system, remain outside of it, or even potentially challenge it. This uncertainty was demonstrated by a debate in *Strategy and Management*, an influential Chinese journal of international relations, that presented both sides of the argument: 1) that participating in Western-dominated global regimes will hurt many aspects of Chinese economic and military security and 2) that China’s interests can only be served by cooperation, or joining the bandwagon, with the US.

⁵ *Yichao duoqiang* became a catch phrase under former Chinese President Jiang Zemin and persists today. See Ye Zicheng, *Rethinking the History and Theory of China’s Multipolar Strategy*. March 22, 2005. <http://www.siiis.org.cn>.

⁶ Joseph S. Nye, Jr., *The Paradox of American Power: Why the World’s Only Superpower Can’t Go It Alone*, New York: Oxford University Press, 2002.

⁷ Lawrence Freedman, “The Third World War?” *Survival*, Winter 2001–02, 43(4).

China has chosen to join the bandwagon, at least for now. China has emerged as a pragmatic power that largely follows the realist tradition in international relations—that power dictates foreign policies. Most countries in the world have rationally chosen to join the bandwagon with the US, even if the current global structure is not to their liking. The balance of power between China and the US has so far resulted in a policy that realistically recognizes US hegemony while at the same time enhances China’s national interests. On the one hand, it recognizes the leadership position of the US in world affairs; on the other, it seeks to promote China’s interests through cooperation with the US-dominated world order. In essence, this policy does not challenge the US hegemony and world order but rather builds on top of it. It recognizes that given the limitation of China’s power, China must pursue its interests through cooperation with the rules and regimes of the current world order.

With the Bush administration, some Chinese analysts believe that the US abandoned the engagement approach. However, this view is exaggerated. The conservative voices within the second Bush administration do not mean that the US has officially shifted its China policy toward containment. As David Lampton observed in a recent book on Sino-US relations,⁸ many Chinese tend to have an oversimplistic view of the American policy-making process. They overlook the pluralistic nature of the American political system in which there are many competing views of China at any one time. An anti-China view does not mean that it is going to become the official policy of the US. For instance, the Bush

⁸ David M. Lampton, *Same Bed, Different Dreams: Managing US-China Relations 1989–2000*, Berkeley: University of California Press, 2001.

administration chose to work with China in the Six Party Talks on the Korean Peninsula.

A deciding factor in immediate US perceptions of China involves China's participation in the war on terror. In an increasingly pluralized China, this participation is occurring within the vagaries of public opinion, but overall China's participation is positive, especially when compared with previous Chinese reactions to American-led wars. This more positive attitude comes from former Chinese President Jiang Zemin and current Chinese President Hu Jintao and his "fourth generation" leadership and is based on the international advantages in the face of domestic disadvantages to Chinese cooperation with the US's war on terror. Examples of domestic disadvantages include Chinese conservatives who do not support such action. There are genuine, if overinflated, fears among Chinese policymakers about Chinese security vis-à-vis the US, Japan, and Taiwan, and Chinese diplomats express reservations that it may not be in China's interest in the Middle East or in the Muslim world.

On the domestic front, China's contributions and challenges are reflected in some important developments in its stance toward the US. First, there is Jiang Zemin's telegram to George W. Bush immediately after the 9/11 attacks. While the telegram that went to Washington at midnight on 9/11 expressed sympathy for the Americans and China's overall opposition to terrorism, it did not explicitly refer to the attack as a terrorist attack.⁹ Apparently, the initial draft of this telegram was written by then Foreign Minister Tang, who did directly refer to China's sympathy for the US as the recipient of this "terrorist attack." It was Jiang himself who later separated the two because he was unsure what the international

reaction would be at that early date. This miscalculation was embarrassing to China and Jiang. He largely rectified it with a series of public pronouncements at the 6th Plenary Session of the Party,¹⁰ stating that China unequivocally opposes terrorism, the world economy may decline as a result of these terrorist actions, and that China needs to protect itself from terrorism.

Another recent development in China's domestic stance toward the US involves the rise of the "New Leftists" in China. The New Leftists are composed of some People's Liberation Army officers, old communist Long Marchers, and leftist-leaning intellectuals. It is this latter group of intellectuals who are most frightening because they are youngish professors in their 40s and 50s with American PhDs working largely at Beijing universities. They are ardently anti-US (arguing that from their years in the US, they understand the US best), believe that conflict with the US is inevitable and that an early conflict is in China's best interest, are strongly anti-democratic, and dislike the central government's foreign policy and any tendency to join the bandwagon with the US. The New Leftists are a recent phenomenon in China. The leadership can currently afford to ignore and distain them, but whether that will continue to be true as time passes or as the new fourth generation increasingly asserts power has yet to be determined.

⁹ The text of the telegram read, "I am shocked to learn that some parts of New York and Washington D.C. were disastrously attacked, which caused severe casualties. On behalf of the Chinese government and people, I would like to express sincere sympathy to you, and through you, to the US government and people and condolences to the family members of the victims. The Chinese government consistently condemns and opposes all manner of terrorist violence." http://english.peopledaily.com.cn/200109/12/eng20010912_79944.html.

¹⁰ The Fifth Session of the Ninth National Committee of the CPPCC opened in Beijing, March 2, 2002.

On the international front, an early Chinese contribution to the war on terror was to supply intelligence about the Taliban. Although Russia had the best and most thorough intelligence, China has been watching the Central Asian region for years. China shared information on Afghanistan and Central Asia, which it collected from one of its satellites and from human intelligence. The most important Chinese contribution, however, was to persuade Pakistani President Musharraf to end ties with the Taliban in Afghanistan and to attempt to clamp down on fundamentalism within Pakistan. In the days before the onset of Operation Enduring Freedom, Vice Minister Wang Yi made an important trip to Pakistan to talk with Musharraf, and this visit was followed up by an invitation for seven Pakistani scholars to travel to China to discuss the situation. Wang Yi, in an extraordinary move for a Chinese diplomat of his rank, stayed the entire day to explain the politics behind China's moves regarding the war on terror and that China would be embarrassed if the Pakistani ties with the Taliban did not end. Of course, China wants political stability within Pakistan as well. In return for Pakistan's help with the war on terror, China offered its traditional support—support that had been withheld since the 1998 Pakistan aggression in Kashmir and its nuclear weapons tests—for Pakistan in its conflict with India. This support, both traditionally and after the 9/11 reassurances, required clear and documented Indian aggression.

The US has outlined China's participation in the war on terror as fourfold.¹¹ China has been most helpful to the coalition against terror in its diplomatic support. In addition to its regional efforts,

¹¹ Francis X. Taylor, Ambassador, "US-China Inter-Agency Partnership to **Fight Terrorism**" *Remarks to the Press*, Beijing, China, December 6, 2001.

China was an important part of the UN's effort to pass UN Security Council Resolution 1373, which is precedent setting in its impact on terrorists and their operations around the world. Second, the Chinese have been good partners in the reconstruction or reformulation of Afghanistan after Operation Enduring Freedom. In an unprecedented move for China, the government gave US\$150 million to rebuild after the war. Third, information sharing and law enforcement cooperation have been ongoing and have been instrumental in disrupting the activities of al-Qaeda cells in some 50 countries around the world. Toward this end, the Chinese government agreed to the establishment of a Legal Attaché Office in the US Beijing Embassy, which greatly improved the efficiency of Chinese and American law enforcement cooperation. Additionally, a US–China Financial Counter-Terrorism Working Group was also established, as was cooperation on terrorism financing. Finally, and least significantly, minor military interfaces have occurred, including a meeting with General Xiong Guangkai as part of the effort to reach out to all elements of the Chinese government in this counter-terrorism dialogue. The strong support of top leaders in both the US and China fostered a robust, multi-faceted, and evolving partnership designed to confront the common threat of terrorism, particularly as it manifested in the war in Afghanistan.

Although China grew less forthcoming in its support as the US extended the war on terror to a war in Iraq, China muted its opposition to the Iraq war. China took a back seat in UN Security Council debates and allowed Russia and France to vocalize the concerns and objections. While China quietly threw its support behind French and Russian proposals, it did not take a visible role. The lack of open criticism was widely recognized and appreciated in the US.

The clearest explanation for Chinese inaction, which was quite different from the role China played in voicing opposition to the US/NATO war in Kosovo for instance, is that China feels that the advantages of joining the bandwagon far exceed those of futile opposition to US hegemony when it does not immediately impact Chinese national interests.

All of this exists within the context of China's overall foreign policy concerns in the current international environment. First are China's domestic worries that its world position will deteriorate. Additionally, China's foreign policymakers worry about what has been called institutional hegemonism—that is, that the US is constructing a global regime based on terrorism that has wide-reaching hegemonic repercussions. Furthermore, China is dissatisfied with the perceived increase in US unilateralism in the aftermath of 9/11, a dissatisfaction that also exists in the EU and in Southeast Asia. Moreover, some argue that Taiwan policy has deteriorated, with the US not opposing Taiwan's opposition of the "one China" policy.¹² Finally, US power has expanded tremendously in the aftermath of 9/11, which only serves to aggravate China's existing worries.

The result of three primary domestic elements—domestic and public hesitance to participate in the war on terror; the desire of the leaders, including the current and former Chinese presidents, to cautiously maintain positive US–China relations; and genuine concerns of the Chinese foreign policy-making community—is that Chinese participation in the war on terror is less than key. This limited participation reflects the leaders' lack of strategic priorities, lack of

¹² In part, this is because the US can understand Chen Shui-bian better than his predecessor, Lee Teng-hui. In part, it is a reflection of this current Bush administration's closeness to Taiwan.

willingness to pay the price of pursuing specific national interests, and belief that stability is the single most important characteristic. They are neither determined and farsighted leaders like Deng Xiaoping, nor do they have the power base to give them confidence. Hence, they used strong tactics to keep down some of their colleagues and made concessions to others, although Hu Jintao may be able to sufficiently consolidate his power base in the next five years or so and thus do more.

In the midst of domestic challenges and power transitions, Chinese participation in the war on terror and its remarks on American foreign policy show that China is a judicious participant in Asia's restless strategic security environment. China's overall foreign policy remains relatively consistent and focused on four priorities. First, it seeks relationships that advance its domestic goal of rapid economic development. Second, China still advocates a multipolar world in the long term because this type of systemic structure is ultimately perceived to be the most beneficial to China. Third, China stands firm on its territorial claims, most importantly Taiwan, but also on its claims of offshore territories that are also claimed by its neighbors. Fourth, China is seeking to develop a more even balance between bilateralism, which it traditionally favored, and multilateralism, which it finds increasingly beneficial to its strategic and economic interests in the current international environment.¹³ Chinese leaders are not averse to multilateralism if the benefits outweigh potential costs and especially if multilateral engagement will directly benefit their top priorities.

¹³ James P. Muldoon, Jr. "The Impact of 9/11 on Chinese Regional Security Cooperation," China Brief, Jamestown Foundation, June 26, 2004.

In East Asia, China is pursuing a regional security strategy aimed at preserving its sovereignty and protecting its economic interests, while at the same time supporting the regional stability that is in its long-term economic interests. This is occurring partly through bilateral relations. China's current and former presidents have visited and accepted visits from most of the countries in the region, resulting in the settlement of peaceful agreement to disagreements on most of the land border disputes. Most notable among these were the agreement to settle the Russian–Chinese border dispute¹⁴ in 2004 and the 2005 India–China pact on principles, which is intended to lead to an overall settlement of their decades-old boundary disputes.¹⁵ The US has watched these developments with some relief and some anxiety.

China often prefers bilateral diplomacy, but it is attempting to expand its multilateral role and exert a greater voice to promote its political and economic interests via the UN Security Council and the World Court and regional organizations such as the Association of Southeast Asian Nations Plus Three (ASEAN+3), Asia-Pacific Economic Cooperation (APEC), and the ASEAN Regional Forum (ARF). China has made a modest foray into peacekeeping by sending a small police force to East Timor, Haiti, Bosnia, Herzegovina, and Cambodia. China's multilateralism has expanded especially in Southeast Asia and Central Asia.

In Southeast Asia, China has been operating a charm offensive with both multilateral and bilateral components. On the multilateral

¹⁴ "Putin and Hu Solve Border Disputes," *International Herald Tribune*, October 15, 2004. <http://www.iht.com/articles/2004/10/14/news/putin.html>.

¹⁵ "China and India Sign Border Accord," *CNN*, April 11, 2005. <http://edition.cnn.com/2005/WORLD/asiapcf/04/11/china.india/>.

front, China joined the Treaty of Amity, Cooperation in Southeast Asia in October 2003¹⁶ and in November 2004 signed a trade accord to create the world's biggest free trade area.¹⁷ On the more traditional bilateral front, China has been carefully wooing the Indonesians with gas deals and the Philippines with a neat package of deals including military hardware. Thailand has been rediscovering its ties to China¹⁸ and the Myanmar government has made some interesting development assistance agreements with China.¹⁹ While the Indochina peninsula remains the most wary of China, even Vietnam has been moving closer to China in the decades following their military confrontation.²⁰ By most accounts, the Chinese charm offensive is lessening Southeast Asia's mistrust. The US appears to be confident in its longstanding relations with the region and has not responded to the success of this charm offensive with any visible concern.

In Central Asia, Beijing remains concerned about the transnational spread of radical Islam (including its spread into China's own Western province of Xinjiang²¹). China views this spread as a destabilizing factor in the region. At the same time, China is promoting

¹⁶ "China, Southeast Asia Conclude Strategic Partnership Pact," *China Daily*, October 8, 2003.

¹⁷ "China, Southeast Asia Sign Trade Accord," *China Daily*, November 29, 2004.

¹⁸ For instance, the Joint Statement on the Plan of Action for the 21st Century Between the People's Republic of China and the Kingdom of Thailand, signed in Bangkok on 5 February 1999, was followed by a Joint Communiqué in August 2001 reiterating Thai-Chinese bonds.

¹⁹ Myanmar-Chinese cooperation spans the spectrum from a Memorandum of Understanding on border defense (2004) to electrical power equipment contracts (2003).

²⁰ Jiang Zhuqing, "Meeting Smoothens China-Viet Nam Problems," *China Daily*, May 20, 2004.

²¹ In October and November 2001, the government sent 1,700 Communist Party officials to the southern Xinjiang city of Kashgar in order to "educate" the public regarding the perceived threat of terrorism.

efforts to develop energy resources, trade, and closer political ties with Central Asian states along its border. Domestic terrorism and its transnational character have long concerned China, particularly in regard to Central Asia. After negotiating bilateral border agreements with the bordering Central Asian states, China went on to set up its first multilateral organization with Russia. The predecessor to the Shanghai Cooperation Organization (SCO), the Shanghai Five, was initially established in 1996 to develop some security confidence-building measures before final resolution of the border problems. Building on its original success, the SCO agreed in its May 14, 2002 session in Moscow to increase its anti-terrorist and security functions in the aftermath of 9/11 and the initiation of Operation Enduring Freedom. The ministers agreed to maintain the regular meeting mechanism among SCO defense ministers and representatives of the general staff, saying the situation in Afghanistan required bilateral and multilateral cooperation in maintaining regional security and stability as well as in fighting against terrorism, separatism, and extremism.

On 10–11 October, 2002, this multilateral effort took a further step when more than 10,000 soldiers from China and Kyrgyzstan participated in a military exercise simulating the entrapment and annihilation of terrorists operating along their mountainous border — these were China’s first joint war games with a foreign country.²² On 6 August 2003, the SCO held its first-ever organization-wide military exercises, with troops from five of the six member states

²² The exercises, which took six months to plan, involved helicopters, troops, and armored vehicles. For Kyrgyzstan, the benefits were immediate; on 18 June 2002, the Kyrgyz Defense minister, Esen Topoev, announced that China was giving Kyrgyzstan 8 million yuan (US\$970,000) in military support.

participating; Uzbekistan did not attend. From 6 to 12 August, troops from Kazakhstan, Kyrgyzstan, Tajikistan, China, and Russia participated in war games on Kazakh and Chinese territory. The overall goal of the two stages of the Interaction 2003 exercises was to implement the provisions of the 2001 Shanghai Convention on the joint struggle against terrorism, separatism, and religious extremism.²³ Similarly, the 2003 SCO meeting focused on establishing a regional antiterrorism center.²⁴ These SCO joint exercises will culminate in joint Russian and Chinese exercises in 2005.

The nature of the exercises reflects SCO members' growing concerns about extremism. For instance, officials in China and Kyrgyzstan have expressed fears that Uyghur separatists have joined forces with other banned groups, like the Islamic Movement of Uzbekistan (IMU). The IMU—renamed the Islamic Party of Turkistan in 2001—fought alongside Taliban and Al-Qaeda troops in

²³ The first stage of the exercises began on 6 August 2003 in the Taldy-Qorghon region of Kazakhstan's Almaty Oblast and ran through August 11th. The exercises began near the town of Ush-Aral and involved a Russian infantry unit, a unit of Kyrgyz paratroopers belonging to the Kyrgyz Intelligence Agency, and Kazakh aviation forces. There were no Chinese troops taking part in this phase. Tajik military experts were present as observers. The initial phase was used to practice isolating and eliminating terrorist groups. The second stage of the exercises started in China's Xinjiang Province on 11 August 2003. The specific location was the outskirts of the town of Inyin, in the Xinjiang Uyghur Autonomous Region, which borders on Russia, Kyrgyzstan, Kazakhstan, and Tajikistan and is home to some 15–20 million Muslim Uyghurs. Only Chinese and Kyrgyz troops participated in this phase of the exercises. Soldiers destroyed a simulated terrorist camp and practiced liberating hostages.

²⁴ Chinese President Hu Jintao attended the third Summit Meeting of the SCO member nations held in Moscow at the end of May 2003. At the summit, the leaders adopted a joint statement and approved a series of cooperation documents. The anti-terror center in Tashkent, the Uzbek capital, was initially planned for the Kyrgyz capital of Bishkek. Following the 11 September 2001 attacks on the US, both Uzbekistan and Kazakhstan allowed American troops into their countries without consulting the organization.

Afghanistan and orchestrated a series of terrorist attacks in Central Asia. Additionally, Moscow has captured ethnic Uyghur separatists fighting with the Chechens in their protracted war with Russia, and some believe Uyghur movements seek to annex parts of Kyrgyzstan and Kazakhstan as well as separating Xinjiang from China.

The US paid only limited attention to the SCO before 9/11, although academics frequently alleged it was designed as an unproven counterbalance to American influence. In 2002, first the US and then the UN agreed to include the East Turkistan Islamic Movement (ETIM) on their official list of terrorist organizations because of assertions that it has ties to Al-Qaeda with members who trained in Afghanistan. As the SCO gains in relevancy both to the Asia-Pacific region and to combating terrorism, the US is taking a closer look at the organization.²⁵

The American position on terrorism meshes with China's stance on the terrorism occurring on its borders. China's basic position on anti-terrorism in an international arena centers on international cooperation and the UN. With regard to the US military presence in Central Asia, China reiterated and relies on US statements that it does not seek a long-term military presence there. Although Chinese voices have expressed fear that the US will encircle China with an

²⁵ The US has primarily focused on its own initiatives in Central Asia. "Our country is now linked with this region in ways we could never have imagined before 9/11. Our policy in Central Asia must include a commitment to deeper, more sustained, and better-coordinated engagement on the full range of issues upon which we agree and disagree. These include security cooperation, energy, and internal strengthening of these countries through political and economic reform." A. Elizabeth Jones, Assistant Secretary for European and Eurasian Affairs, *Testimony Before the Senate Foreign Relations Committee, Subcommittee on Central Asia and the Caucasus*, Washington, DC, December 13, 2001.

eye toward containment, the official Chinese policymakers have quietly accepted the American presence in Central Asia as beneficial to China's aims of decreased violence, extremism, and separatism and increased stability and economic growth. There is also the quiet acceptance that objecting to the American presence would yield no positive results.

In the Asia-Pacific, China has assumed a major role in a combined bilateral and multilateral attempt to defuse the current North Korean nuclear crisis. China boldly intervened in the strategic morass of the Korean peninsula almost immediately after North Korea suggested that it had restarted its nuclear weapons program in 2002. China has devoted enormous diplomatic and political resources to keep the crisis from escalating into a military confrontation. The crisis has become an important test of Chinese diplomatic skills and influence, with significant risks to China's image and leadership "credentials" in Asia if the Six Party Talks totally collapse.²⁶

Although the American and Chinese positions on this vital Asia-Pacific issue overlap somewhat, James Lilley, a former ambassador to both South Korea and China, cautions against the erroneous belief that the US and China hold the same position on North Korea simply because neither wants to see that country develop a nuclear arsenal. Deep divisions exist between Washington and Beijing on how to persuade Pyongyang to abandon its nuclear ambitions, and there are important differences on the ultimate political orientation of any potential reunified peninsula. "The Chinese do not agree with us all the way on North Korea. There's distance between

²⁶ James P. Muldoon, Jr., "The Impact of 9/11 on Chinese Regional Security Cooperation," China Brief, Jamestown Foundation, June 26, 2004.

us,” Lilley said. “For instance, they stress that we [the US] should use seductive means to bring them in [persuade North Korea to abandon its nuclear ambitions], namely bribe them with food and oil and money.”²⁷ Although there is the possibility of strong Chinese and American convergence on the Korean peninsula, there is also a strong danger that a rift could emerge given the longstanding American ties to the Korean peninsula and China’s traditional influence.

In conclusion, the Chinese do not like the current international order but they are determined to take advantage of the existing world order to resolve domestic issues and build a stronger, more modern China. A reemerging China faces the question of how to prosper in the Asia-Pacific region and in the international system, primarily through relations with the greatest world power, the US. All appearances point to China focusing first on its influence in the Asia-Pacific and second on its global influence. China’s national interests will be paramount, of course, but China seems to be joining the US bandwagon for the near future as it meets domestic challenges and grows economically. It is unlikely that China will loudly oppose US actions, such as those in Iraq or Israel, even when it disagrees, unless they involve China’s fundamental interests, such as reunification with Taiwan or terrorism in Xinjiang. Neither the Chinese nor the Americans are happy with all of the events that have occurred in the global order in the wake of 9/11, but they are attempting to take advantage of the existing world order to benefit their national interests. It is quite likely that these perceived national benefits will continue to manifest themselves in a bilateral relationship that is marked with both strongly positive and negative swings.

²⁷ As quoted in Andrew Tully, “US-China Complications, Contradictions,” *Asia Times*, February 4, 2005, <http://www.atimes.com/atimes/China/GB04Ad01.html>.

Chapter 7

Japan and the Asia-Pacific: A Russian Perspective

Viacheslav Amirov*

Introduction

Japan is an important partner to Russia for many reasons: among other things, it is a neighbor, technologically well advanced, the world's second largest economy, as well as one of the key players in East-Asian regional affairs. Since the change of the political geography of the Russian Far East (also known as Pacific Russia¹) after the disintegration of the Soviet Union, the economic development of the region has become the main priority (or declared priority) of the Russian government in its strategy in the Asia-Pacific region. Dmitry Medvedev, head of Russian President Vladimir Putin's administration, recently stated, "Eastern dimension of Russia's development is critically important."² But it is impossible to achieve this goal without the involvement of Pacific Russia and Eastern Siberia, in economic cooperation and integration processes in Northeast Asia and the Western Pacific. Japan (as well as China)

* *Viacheslav Amirov is a senior research fellow at the Institute of World Economy and International Relations, Moscow and APCSS alumnus.*

¹ The name "Pacific Russia" is now more appropriate for this vast part of the country. It better reflects the changes that the region has undergone since the beginning of the 1990s, when it became open for various ties with the Asia-Pacific after having been the far-end fortress of the Soviet Union for several decades.

² *Expert. №* 13, 4–10 April 2005, p. 76.

plays a critical regional role in the emerging East-Asian economic community. The strengthening of Russian-Japanese economic ties can help avoid a scenario that nobody in the Russian political circles likes: the transformation of Pacific Russia and Siberia into a mere appendage of the Chinese economy as a supplier of raw materials and mineral fuels.’³

Japan is undergoing an evolution of its foreign policy—if not strategy—particularly in the area of security. The country has been moving slowly, although quite persistently, along this path. Clear signs include active campaigning for a permanent place in the UN Security Council; constitutional changes and practical steps toward wider application of Japan’s armed forces overseas; plans for the relocation of armed forces within Japan; and a return to a more active Overseas Development Assistance (ODA) policy. This evolution could eventually lead to Japan’s bigger role in securing a peaceful Asia-Pacific, and to an increased profile of Japan in the regional security posture. The emergence of a more proactive Japan on the world arena is a welcome phenomenon. For Russia, it makes a political dialogue and various interactions with Japan more and more imperative.

The Changed Pattern of Russian-Japan Relations

To understand properly Russia’s perception of Japan’s role in the Asia-Pacific region and its place in the world affairs as Russia’s next-door neighbor, it is important to be aware that Russian–Japanese ties

³ A staunch critic of this unwelcome way of development in the areas to the east of the Ural Mountains is the Governor of Krasnoyarskii *Krai* G. Chloponin, who is considered to be a close ally of the Kremlin administration. See, for example, *Expert*, № 13, 4–10 April 2005, pp. 114–115.

have undergone substantial changes since 1992. Subsequently, relations between the two countries can be divided into two, unequal components.

The first component—a network of bilateral ties in various fields—has been developing steadily after Russia inherited practically all the components of relations with Japan from the Soviet Union. Since the beginning of the 1990s, the political atmosphere of bilateral relations has changed significantly. Despite ups and downs, particularly after Junichiro Koizumi became Prime Minister of Japan in April 2001, the political trend in bilateral relations has been positive. Cultural ties as well as human contacts have increasingly expanded.

Military exchanges, as an absolutely new phenomenon in bilateral ties, have reached an unprecedented level and continue to improve and expand. For example, in November 2004, the commander of Japan's northern forces (based in Hokkaido) visited the Far Eastern Military District headquarters in Khabarovsk for the first time in the history of relations between the two countries. Interestingly, a month later the Japanese cabinet approved the National Defense Program Outline covering a ten-year period, to begin in 2005, and also gave a green light to a new midterm defense program for 2005–09. According to those documents, the number of Self-Defense Forces' (SDF) tanks and artillery units will be cut by a third. This means that Japan will shift its military focus away from the threats of the Cold War arena, as those tanks and artillery were targeted to fight off an invasion of the Soviet forces on Japanese soil. It also means that for Japan “a scenario of a full-scale invasion of Hokkaido by Russian ground

forces” no longer exists.⁴ In fact, the threat of invasion never existed even under the Soviet Union. For the Russians, it is obvious that Japan could have implemented a reduction of ground forces on Hokkaido without undermining its security position long ago—just after the collapse of the Soviet Union, or even earlier—in the period of *perestroika* and “new thinking.” This delay in adapting to profound changes in a neighboring country gives another example that confidence building is a difficult task, and requires a significant period of time. The planned reduction of the SDF regiments stationed on the island of Hokkaido will certainly improve mutual trust between Russia and Japan, both military and political.

The Russian side also has its share of those who still think in Cold War stereotypes. Unfortunately, even today one can read essays in Russia of some experts about so-called “Japanese militarism” and “new possible threats,” which can arise from continued growth of Japan’s military capabilities.⁵ This way of thinking about Japan’s military threat has been inherited from the Soviet approach toward Japan and its US military ties. As a new relationship between Russia and the US has been established with its positive dynamics, the political atmosphere of Russian-Japanese relations has also substantially improved. The Japanese-US relations, and military ties in particular, objectively play now a much lesser role in Russia’s perception of Japanese foreign policy than before. For the sake of a more stable security situation in the Western Pacific, Russia would, however, prefer more emphasis in Japan on the

⁴ *The Japan Times*: December 12, 2004; <http://www.nytimes.com>, 13 February 2005.

⁵ See, for example, “New Challenges and Threats to the National Security of Russia in APR,” Institute of Far Eastern Studies, Moscow, 2001, pp. 29–30. (In Russian).

rising economic importance of East Asia rather than strategic relations with Washington.

Hopefully, further growth of bilateral military exchanges between Russia and Japan will help eliminate the “rising Japanese militarism” school of thought in Russia, or at least substantially reduce the number of its followers. Even more, an expansion of SDF’s role beyond the Japanese borders or some previously limited sea basins may provide new opportunities for cooperation between the two countries in global peacekeeping operations. It may also bring about regional cooperation in particular areas, such as anti-terrorist operations, dealing with human, arms and drug trafficking, as long as the ties between two countries’ militaries continue to strengthen.

Among various fields of interaction between Russia and Japan, economic ties were initially the only exception in terms of declining and not growing. After the disintegration of the Soviet Union, Russian-Japanese bilateral trade dropped, and in the 1990s-early 2000s fluctuated between US\$2.6 billion and US\$4.1 billion, compared to US\$6.2 billion at the peak achieved at the end of the Soviet Union’s existence. In 2003, however, the volume of bilateral trade almost doubled compared to the previous year, having increased to US\$4.3 billion from \$2.8 billion a year before. In 2004, the volume of Russian-Japanese trade continued to climb and reached \$ 7.3 billion, thus exceeding for the first time the highest point in bilateral trade turnover recorded during the Soviet era.⁶

The two-way investment flows have been also stagnant for the last ten to fifteen years. The Japanese market is virtually

⁶ Russian Federation Customs Statistics of Foreign Trade. According to Japanese official data, the figures for bilateral trade in 2003 and 2004 were even higher—US\$6 billion and US\$9 billion, respectively. <http://www.embjapan.ru/embassy/20050421.htm>.

impenetrable for Russian investments, unlike some other East-Asia markets. In turn, Japanese companies—with few exceptions—have been reluctant to invest in the Russian economy. Among those exceptions is Japanese participation in joint ventures with US and British companies to tap energy resources on the Island of Sakhalin. Such passivity particularly contrasts with South Korean companies, which have persistently increased their activity in Russia. Occasionally, though, Japanese companies will go in the wake of their South Korean competitors after seeing how successfully South Korean businesses operate in the Russian market.

Nevertheless, Russia is interested in Japanese investment in its economy, with a particular emphasis on advanced technology. That is why the decision by Toyota Motor Corporation to build an assembling plant near St. Petersburg got much publicity in Russia and, hopefully, will encourage other leading Japanese manufacturing companies to invest in the Russian economy.

The second block, and the weakest point of the bilateral relations, is represented by a long-time territorial dispute that still bedevils a whole set of Russian-Japanese ties and spoils the general atmosphere of bilateral relations. However, as we have seen above, it does not hinder the expansion of bilateral relations.

A new wave of discussions about the fate of four Kuril islands emerged at the end of 2004, encouraged by a final border settlement between Russia and China during President Putin's visit to China in October the same year. The Russian president gave the following reasons for those "breakthrough decisions:" border demarcation had been achieved with an eye toward good neighborly relations, providing

a foundation for bilateral relations in the future to come, and a due account of Russia's and China's regional interests.⁷ President Putin also hinted a desire to tackle similarly the Russian-Japanese territorial issue when both sides were ready for a compromise. A month later, Russian Foreign Minister Sergei Lavrov publicly formulated this idea in his interview on Russian television, expressing Russia's viewpoint on a possible settlement with Japan. The Russian foreign minister made it clear that the peace treaty could be concluded when relations between the two countries reached the level of a mature, economic and strategic partnership, thus creating an atmosphere for a real peace treaty between the two countries. At the same time, he referred to the Soviet-Japanese Joint Declaration of 1956 as a basis for compromise (a return of two islands to Japan), but only as a part of comprehensive peace treaty.⁸

The positive mood in Russia-Japan relations somewhat deteriorated when Junichiro Koizumi became prime minister of Japan in April 2001. After a political stalemate in bilateral relations for a year and a half, the Japanese side decided to do something about it and initiated Koizumi's visit to Russia in January 2003. The Action Plan to develop relations between Russia and Japan in various fields—including steps toward a peace treaty—was signed. The Council of Wise Men was set up to find solutions for existing problems and to broaden the agenda for bilateral relations. However, the Russian membership of the Council does not reflect a desire to make the body instrumental. Until now, the Council has not come up with any fruitful suggestions.

⁷ <http://www.strana.ru>. 13 October and 14 October 2004.

⁸ <http://www.strana.ru>. 15 November 2004.

Some Japanese experts and commentators initially expressed hope that after President Putin had won his second term in office and strengthened his political position, he would be able to solve the territorial problem with Japan favorably for Tokyo. But some interesting statistics published in March 2005 speak to the contrary. During the first year of his first term, President Putin mentioned Japan 195 times (the most mentioned country) in his public statements; but during the first year of his second term, Japan was not even among the ten most-mentioned countries by the Russian president.⁹

The changed attitude to a compromise with Japan on the peace treaty can be tracked in Russian official statements. In June 2003, Alexander Yakovenko, the spokesman for the Russian foreign ministry, said that relations with Japan were among the priorities for Russian foreign policy.¹⁰ In October 2004, he described those relations as having “reached a good level.”¹¹ On the list of geographical priorities for Russian foreign policy, as formulated in official statements and documents, Japan usually ends the list after Commonwealth of Independent States (CIS) countries, Europe, the US, and the Asia-Pacific region, with China and India as key partners. Unfortunately, a continuing lack of broad interaction and consequent lack of mutual understanding between political and business elites of the two countries remain a huge disadvantage for Russian-Japanese relations. Despite the fact that the intensity of bilateral contacts has increased substantially in the last ten years, they are still lagging far behind the level of Russia’s ties with Europe or the US.

⁹ *Kommersant-Vlast*. 21 March 2005, p. 24.

¹⁰ <http://www.mid.ru>. 27 June 2003.

¹¹ <http://www.mid.ru>. 25 October 2004.

An example of the importance of mutual bilateral interests can be drawn from the recent row between Japan and China. Japanese businessmen clearly expressed their desire to defuse rising tensions between the two countries. Nippon Keidanren, the most influential business organization, has spoken in favor of even more energetic economic ties between Japan and China. But the Japanese business circles are not enthusiastic about finding a political compromise with Russia, as they have much less interest in the Russian economy than in China's market.

Japan's public opinion also remains unfavorable toward Russia. It should be concerning for both sides that according to Japan's cabinet office survey conducted at the end of 2004 (when the territorial dispute became again a hot issue), "feelings of friendliness" toward Russia among the Japanese public was down to 16.3 percent versus 20 percent a year earlier. This is a very low figure compared to other countries important to Japan.¹² However, Russians' attitude toward Japan is much more positive than the reverse. This is because in the Russian public opinion, Japan is not usually associated with any real threat to the country, which cannot be said about China or the US.

Some Considerations for a Short-Term Perspective

The existing perception of Japan in Russia arises from two opposite considerations. There is good potential to develop further ties with

¹² 37.6 percent of Japanese feel friendly toward China, down 10.3 percent — the lowest figures since the government started the survey in 1975. A record-high 56.7 percent of respondents had a positive feeling toward South Korea. But it was before the Tokdo-Takeshima row. As for the US, 71.8 percent of the respondents said they feel friendly, down only by 4 percent. *The Japan Times*, 20 December 2004.

Japan on bilateral and multilateral levels, but the unresolved territorial issue hinders a political rapprochement in the foreseeable future.

On March 17, 2005, the *Asahi Shimbun*, Japan's conservative newspaper, published an editorial entitled "Chilly Japan-Russia ties." It noted, "Japan's relations with Russia are quite frosty because of the deadlock in the decades-long territorial dispute..."¹³ The territorial deadlock prevented President Putin from visiting Japan at the beginning of 2005 to attend a ceremony devoted to the 150th anniversary of Shimoda Treaty of Commerce, Navigation, and Delimitation. Yury Alekseev, Russia's Deputy Foreign Minister responsible for Asian affairs, stated recently that both sides have "diametrically opposite" perspectives on the peace treaty. The foreign ministers of both countries agreed to build a bridge between those opposite perspectives.¹⁴ But it remains to be seen how many more years (or decades) it will take.

Bridging the differences is not easy, but not impossible. Some recent episodes in bilateral relations offer certain optimism. Prime Minister Koizumi initially refused to go to Moscow in May 2005 to attend a ceremony to commemorate the 60th anniversary of the Allied Victory in World War II (or the Great Patriotic War, as it is known in Russia). But after the outbreak of a severe political crisis in relations with China, Koizumi started reconsidering his initial position. Chief Cabinet Secretary Hiroyuki Hosoda gave official reasons why Koizumi had changed his mind, but they were not very revealing.¹⁵

¹³ <http://www.asahi.com>.

¹⁴ <http://www.mid.ru>. 26 March 2005.

The perception in Russia was that a sharp worsening of relations with China, and to a lesser extent with South Korea, forced Koizumi to go to Moscow.¹⁶

For a few years, Japan has tried to actively exploit the card of Chinese threat in its relations with Russia. It has, for example, lobbied for an oil pipeline from Siberia bypassing China. But during the pipeline negotiations, Japan—unlike China—was slow on the funding part, and again linked its participation to territorial concessions.¹⁷

On the other hand, some Russian experts suggest that the initial support that Russia offered for Japan's permanent seat in the Security Council, must be a part of the package. The package would include a compromise on the territorial issue and a peace treaty. It is, however, easy for Russia to support Japan's bid for the Security Council at the moment that China opposes it, while the US is reluctant to forge a reform of the Council. Recently Japan started to emphasize its willingness to develop ties with its neighbors on a long-term basis and encouraging them to think beyond historic grievances. Japan itself, however, has not been able so far to demonstrate such an approach in cases of territorial disputes or assessments of historical events. Japan's counterparts in the region, including Russia, need to make their contribution, too.

In summary, it is difficult to expect a strategic breakthrough in Russian-Japanese ties in the present day atmosphere of bilateral relations. The territorial deadlock is firmly in place. At the same time, this should not interrupt the further development of bilateral ties or

¹⁵ *The Japan Times*, 22 April 2005.

¹⁶ *Expert. №* 13, 4–10 April 2005, p. 76.

¹⁷ See, for example, an article by professor H. Kimura in the *Sankei Shimbun*. (Russian translation), <http://www.strana.ru>, 13 August 2004.

cooperation on regional issues of mutual interest. But the territorial curse will, of course, continue to obstruct the process of bridging the political and psychological gap.

Chapter 8

Japan: Militarist, Pacifist, or Realist?

John Miller*

Contemporary Japan presents something of a conundrum. The heart of the puzzle is where this economically powerful but politically diffident nation is headed. There are various schools of thought on this question. Some discern an ominous revival of prewar militarism and ultranationalism, and claim that the Japanese are programmed by their history and culture to move in this direction. Others maintain that their postwar conversion to democracy and pacifism fundamentally altered their national character, making them, even today, a nation of pacifists and conscientious objectors. Still others argue that Japan remains what it became during the Cold War, a mercantilist trading state bent on amassing national wealth and insulating itself from international conflicts and rivalries. But most observers see Japan as moving, albeit reluctantly, away from pacifism and mercantilism toward “realism”—reengagement with international politics and acceptance of collective security responsibilities in the framework of a stronger alliance with the US.^[1]

To assess where Japan might be headed, it is useful to understand where it is coming from. An in-depth consideration of this problem would require going back at least to the 1868 Meiji

* *John Miller is an associate professor at the Asia-Pacific Center for Security Studies, Honolulu.*

^[1] For a review of the literature, see Michael J. Green, “State of the Field Report: Research on Japanese Security Policy,” *National Bureau of Asian Research Access Asia Review*, December 2000, 2(1).

Restoration, arguably modern Japan's starting point. One would have to examine its transformation from a feudal backwater into a Western-style nation-state, industrial power, and member of the imperialist club. The focus would then turn to the rise of party rule, culminating in the "liberal twenties," when Japan seemed to be evolving into a parliamentary democracy and partner of the West, creating a new order in Asia based on naval disarmament and the forswearing of old-fashioned imperialist rivalries. A third theme would be what many Japanese remember as the "dark valley" of the 1930s and early 1940s—the shift to militarism, confrontation with the West, unbridled emperor worship, military expansion in Asia justified as an anti-colonial crusade, and the disaster of the 1941–45 Pacific War.

The Postwar Metamorphosis

For the purposes of this chapter, the story can be picked up in 1945, modern Japan's *annus mirabilis*—or *annus horribilis*. The emperor's August 15th announcement of Japan's surrender triggered a metamorphosis of the Japanese more sudden and profound than any in their history.^[2] Almost overnight, they turned their backs on values they had held sacrosanct for 70 years, including the martial ethos of the feudal samurai and self-sacrificing loyalty to the emperor as the personification of the nation-state. The trauma of defeat partly explains this volte-face, but something more was involved. Surrender was not in the Japanese vocabulary. Few Japanese had ever capitulated; they were expected to die rather than accept this disgrace. When they emperor

^[2] John W. Dower, *Embracing Defeat: Japan in the Wake of World War II*, New York: Norton, 1999.

called on them to “endure the unendurable” and submit to surrender and foreign occupation, they obeyed, but his authority was shattered. It was as if the head of a church had told believers that violating a central tenet of their creed was permissible and, indeed, required.

Japan’s American occupiers set about filling the spiritual vacuum created by the collapse of state-centered patriotism with “peace and democracy.” General MacArthur, the American military icon entrusted by Washington with rehabilitating the Japanese, conceived of his mission as turning them into a nation of democrats and pacifists who would never again threaten their neighbors. His crowning achievement was rewriting Japan’s constitution in 1947 to enshrine this goal as its new national faith. Article Nine, which he borrowed from the 1928 Kellogg–Briand Peace Pact outlawing war, forbade it to maintain a military or employ force to resolve international disputes. In MacArthur’s vision, Japan was to become the “Switzerland of the Far East”—an exemplary “peace state” that would make its way by holding to pacifist ideals and relying on the goodwill of its neighbors and the UN.

Most Japanese embraced MacArthur’s peace state ideal with an enthusiasm that took the Americans aback. It seemed hardly credible that a people who had venerated the military and been prepared to die en masse for the emperor only a few months earlier could have become pacifist zealots. But their conversion was less extraordinary than it appeared. The rise of a large and vocal left that denounced the “emperor system” and championed pacifism and democracy reflected the reemergence of trends suppressed since the 1920s. For many, the acceptance of ultranationalism and militarism during the 1930s was more a matter of outward conformity than inner

conviction. There was, moreover, a certain resonance between pacifists' idealization of Japan as a beacon of peace and disarmament and militarists' depiction of it as the paladin of national liberation and "co-prosperity." Even in defeat, Japan remained the "light of Asia," set apart by its unique national virtues.

With the onset of the Cold War, the Americans, regretting their hasty demilitarization of Japan, pressed it to rearm and join them in containing communism. Conservative nationalists were amenable. They looked askance at MacArthur's Peace Constitution, which they felt reduced Japan to the humiliating position of an international supplicant. They also deplored Japan's repudiation of patriotism and the military, which they viewed as an abnormal situation, unparalleled elsewhere. They therefore sought to revive patriotism, rebuild the military, and pull Japan into an alliance with the US. But the left strongly opposed this agenda, seeing in it a plot to restore militarism, and insisted that the Peace Constitution required Japan to adopt unarmed neutrality in the Cold War. In the 1950s, leftists and nationalists squared off in bitter diet confrontations that spilled over into violent street demonstrations. Many observers wondered if the "fragile blossom" of Japanese democracy would survive.

The Conservative Compromise

Moderate conservatives in the ruling Liberal Democratic Party (LDP) devised a shaky compromise.^[3] Under its terms, they accepted a US security guarantee and undertook to provide bases for forward

^[3] John W. Dower, "Peace and Democracy in Two Systems: External Policy and Internal Conflict," in Andrew Gordon (ed.), *Postwar Japan as History*, pp. 3–33, Berkeley: University of California Press, 1993.

deployed American forces. But this arrangement—formalized in the US–Japan Security Treaty—was as far as they were willing to go toward an alliance. They interpreted Japan’s Peace Constitution as ruling out the rebuilding of its military or its participation in collective security, including even UN peacekeeping. They did construe Article Nine as permitting the right of self-defense and the maintenance of “Self-Defense Forces” (SDF). However, they viewed the SDF as essentially a paramilitary that had only one mission: repelling an attack on Japanese territory. They consequently limited it to defensive weaponry, prohibited its overseas deployment, and restricted its cooperation with US forces. They also denied it military titles and ranks and put it on a par with the national police by placing it under the supervision of a government agency rather than a ministry.

Selling this compromise proved difficult. LDP nationalists balked at Japan’s lopsided dependence on the US and regarded the SDF as a pale imitation of a true military. But moderates convinced them it was the best that could be achieved, and they reluctantly fell into line. However, the left, spearheaded by the Japan Socialist Party (JSP), did not. It denounced the SDF and Security Treaty as unconstitutional and continued to press for unarmed neutrality in the diet and through mass demonstrations. The problem for the LDP’s moderate leadership thus became deflating the left’s popular appeal. One tack was co-opting its pacifist agenda. In the 1960s and 1970s, LDP prime ministers presented themselves as champions of world peace and disarmament by banning arms exports, capping Japan’s defense spending at one percent of its Gross National Product, and forswearing the development, possession, or introduction of nuclear weapons. They also made Japan a major financial contributor to, and

ardent backer of, the UN. A second approach adopted to undercut the left was diverting the attention of the Japanese people from divisive security issues to economic growth and prosperity. This campaign got underway in the early 1960s with the LDP's "income doubling" plan, and proved highly successful. The hot-button issues of the 1950s—defending peace and democracy, and preventing the revival of militarism and ultranationalism—faded from the public consciousness as Japanese immersed themselves in American-style consumerism, sustained by Japan's rapid economic growth and LDP policies that ensured the equitable distribution of national wealth. What mattered most to newly affluent Japanese was getting ahead in company hierarchies, enhancing their standard of living, and addressing quality-of-life issues such as environmental pollution. At the same time, their pride in country acquired a new focus with Japan's emergence as an economic superpower. In the 1970s, Japanese began to see themselves as both leaders of world peace and mentors of Asia's economic development.

A third pillar of the LDP's domestic political strategy was insulating Japan from the onerous demands of international power politics. Under the LDP, Japan sat out the Cold War as a conscientious objector, leaving the heavy lifting of containment to the Americans and their other allies. Few Japanese were aware of an alliance with the US, and the term was avoided (when a prime minister used it in 1981, the ensuing uproar led to the resignation of his foreign minister). In the 1960s and 1970s, the idea that Japan might be obliged to provide more than diplomatic support to US Cold War policies was not seriously considered. Rather, debate centered on whether even this level of support

was consistent with Japan's pacifist ideals. The LDP equivocated on this question. While assuring Washington of its loyalty, it pursued "omnidirectional diplomacy"—courting any and all regimes willing to do business—and espoused "comprehensive security," which meant, in practice, relying on development assistance and other economic levers to "win friends and influence people."

By the 1980s, the LDP had succeeded in selling its compromise, which amounted to a modified version of unarmed neutrality—alignment with the US but avoidance of military and collective security responsibilities. This now became Japan's new orthodoxy and was supported by a broad national consensus. The left's influence waned as most Japanese came to see its opposition to the SDF and Security Treaty as quixotic. The JSP ceased to be a serious contender for power, becoming instead a watchdog and de facto collaborator of the LDP, which seemed destined to be Japan's permanent ruling party. Conservative nationalists remained unreconciled to Japan's low-profile posture in the world and what they still saw as its abnormal rejection of patriotism and demeaning dependence on the US. But they were overshadowed by LDP moderates who formed the mainstream of the party and were determined to maintain the policies that had brought Japan domestic unity and prosperity, as well as international respect and influence.

Stirrings of Change

Even as Japan's new pacifist orthodoxy became firmly established, it

began to fray around the edges.^[4] In the 1980s, a new mood of national pride and assertiveness manifested itself in the vogue of popular writings that celebrated the theme of “Japan as Number One,” the title of a 1979 American book that became a runaway bestseller in Japan. This literature argued that Japan’s economic success stemmed from unique Japanese values and institutions, such as lifetime employment, which were superior to Western ones—including those of its erstwhile American patron. The popularity of these ideas mirrored generational change. Japanese who had personally experienced the traumas of militarism, war, and defeat, were giving way to a younger generation reared in the increasingly prosperous and confident setting of postwar Japan. While this new generation was disinclined to abandon pacifism, it was less willing to defer to foreign criticism and more receptive to the notion of a “strong Japan.”

The rightward tilt of Japanese opinion provided an opening for long-sidelined nationalist politicians. The most important of these was Prime Minister Nakasone (1982–87), Japan’s first avowedly conservative nationalist leader since 1960. Nakasone’s goal was to nudge Japan toward normalcy in the setting of a stronger partnership with the US. His agenda included encouraging patriotism, strengthening the SDF, and bolstering military cooperation with the US. He publicly affirmed the alliance and talked about making Japan an “unsinkable aircraft carrier.” He called for lifting Japan’s cap on defense spending, modifying its arms export ban to permit technology sharing with the US, and modifying its “self-defense only” doctrine to enable the SDF to assume expanded patrol responsibilities around

^[4] Kenneth B. Pyle, *The Japanese Question: Power and Purpose in a New Era*, Washington, DC: American Enterprise Institute Press, 1996.

Japan. As part of his campaign to restore patriotism and respect for the military, he became the first postwar prime minister to officially visit Yasukuni Shrine, the national memorial to Japan's war dead, on August 15, 1985. Nakasone was a favorite of the Reagan administration and popular with the Japanese people. He played to heightened fears of a Soviet threat, which were fed by its invasion of Afghanistan, the buildup of the Soviet Pacific Fleet, and the 1983 Korean Airlines shoot down. A onetime naval officer in the imperial Navy, Nakasone cut a dashing figure and had a flair for public relations that set him apart from most of his bland, self-effacing predecessors. Even Japanese who disagreed with his policies admired him as a leader who stood tall on the international stage and seemed to be respected as an equal by the US president and other world leaders. But Nakasone encountered resistance from the LDP mainstream and the JSP, which joined to water down his program in the diet. His push to make Japan a "normal country" and strengthen the American alliance consequently made little headway. Japanese were no more willing to shoulder collective security burdens at the end of his tenure than they had been at its beginning.

Other nationalist politicians inspired more alarm than Nakasone among those sensitive to the possible revival of Japanese militarism and ultranationalism. Right-wing extremists, typified by flamboyant ex-novelist Shintaro Ishihara, gained notoriety by extolling Japan's "liberationist" war aims and denying atrocities such as the infamous 1937 Rape of Nanking. Japanese, they proclaimed, had no need to apologize for their past and much to take pride in. Rightists also put themselves at the head of a popular backlash against American criticism of Japan's "free riding" on defense and "unfair

trading practices.” Ishihara, for example, co-authored a best-selling 1989 tract entitled “A Japan That Can Say No,” in which he proposed that Japan use its high-tech prowess to bring the US to heel. Public support for the historical revisionism and “Gaullism” of rightists like Ishihara was limited, but heavy domestic and international media coverage of their pronouncements magnified their influence.

Strains in the Alliance

As the Cold War wound down in the early 1990s, the LDP faced a more serious problem than domestic rightists—the possibility that the US might no longer be willing to underwrite Japan’s security under the bases-for-protection formula that was the cornerstone of the Security Treaty.^[5] American frustration with Japan’s conscientious objector posture grew during the 1980s, inflamed by trade disputes. The LDP tolerated Nakasone’s rhetorical support of the alliance in hopes of mollifying Washington. By the end of the decade, however, the efficacy of rhetoric and token initiatives was wearing thin. US–Japan trade friction escalated over what Americans saw as Japan’s “structural impediments” to their imports, its steamrolling of their high-tech industries, and its campaign to “buy up” America. As the collapse of the Soviet Union reduced the value of Japanese bases, American commentators warned that Japan was replacing the Soviet Union as a competitor and threat to US interests in East Asia.

The Japanese were slow to react to eroding American patience, in part because some hoped that the end of the Cold War might soon render the alliance superfluous. In the 1990-91 Gulf crisis, they

^[5] Michael J. Green and Patrick M. Cronin (eds.), *The US-Japan Alliance: Past, Present, and Future*, New York: Council on Foreign Relations Press, 1999.

rebuffed US requests for a token SDF contingent, citing their customary conscientious objector position. But this no longer washed with the American congress and public, which were outraged by the prospect of American troops dying to safeguard Japan's oil lifeline while Japanese sat on their hands. (The Bush administration had to quash a congressional threat to withdraw US troops from Japan, but used this threat to pressure Tokyo to ante up US\$13 billion to help cover the costs of the conflict.) The alliance underwent another, less publicized "near death" experience in the 1993–94 North Korean nuclear crisis when Washington again found Japan unwilling to deploy the SDF. This crisis was, however, resolved before it became a shooting conflict that would have exposed the alliance's hollowness to Americans.

In the mid-1990s, Japan's political elite reluctantly accepted the need to prop up the alliance by making a larger Japanese military contribution. Not doing so made it likely that the alliance would sooner or later disintegrate, forcing Japan to fend for itself in what Japanese now saw as the rough neighborhood of Northeast Asia. Few were willing to go it alone against an unfriendly China, suspicious South Korea, estranged Russia, and belligerent North Korea. Nor was there much confidence in emerging multilateral security cooperation as represented by the ASEAN Regional Forum. By the same token, there was scant domestic support for entering into the sort of alliance with the US that would involve Japan in distant military conflicts or require it to engage in combat operations. The notion that the Japanese are closet militarists—a myth especially favored by Chinese and Koreans—was belied by the furor provoked by the killing of several

Japanese in Cambodia during Japan's first hesitant participation in UN peacekeeping operations in 1993.

Japan's solution to its security dilemma was agreeing in 1996 to permit the SDF to provide noncombatant logistical support to American forces in military contingencies "near Japan"—presumably including the Korean Peninsula and Taiwan Strait, although this was not spelled out. This move placated most Americans who felt that Japan was not pulling its weight in the alliance. Although critics noted that it kept the SDF out of harm's way, it was for Japan a controversial shift away from its pacifist orthodoxy. The LDP, back in power after a three-year hiatus, sold it domestically as a mere revision of the SDF's self-defense only guidelines. In fact, it represented a significant step toward the assumption of collective security responsibilities. But presenting it as such would have posed nettlesome constitutional issues and raised the hackles of pacifists. Despite the collapse of the JSP, pacifist sentiment remained too strong in the LDP and opposition parties to make the acknowledgment of Japan's course change politically feasible.

External Threat Perceptions

In the late 1990s and early 2000s, Japanese attitudes on defense and foreign policy hardened.^[6] The main driver of this development was rising threat perceptions of North Korea and China. Pyongyang's launching of a missile over Japan in 1998 brought home to the Japanese people for the first time since 1945 their vulnerability to external attack. Subsequent incursions into Japanese waters by North

^[6] Michael J. Green, "The Forgotten Player," *The National Interest*, Summer 2000.

Korean spy boats”—rumored to be running drugs and kidnapping unwary Japanese—intensified their sense of imminent threat. SDF air and sea units went into action against these boats, first firing warning shots and then sinking one in a gun battle, killing the North Korean crew, and themselves sustaining casualties. Japanese flocked to view the remains of this craft, which were raised and put on public display in Tokyo. Pacifist taboos against combat and bloodshed seemed to have fallen, at least in the context of self-defense against egregiously aggressive acts by what most Japanese saw as a hostile, rogue state.

Japanese perceptions of China were more complex. In the 1980s, they had hoped to construct a “special relationship” of friendship and cooperation with China based on their willingness to support its economic modernization with large infusions of official development assistance, mainly soft loans. They assumed that this aid would override lingering Chinese bitterness over Japan’s pre-1945 aggression. Until the early 1990s, Deng Xiaoping’s relatively cordial attitude suggested that this might turn out to be the case. In the mid-1990s, however, Beijing launched a concerted campaign against what it claimed was the revival of Japanese militarism and ultranationalism. The Chinese found evidence for this claim in the provocative statements of rightists like Ishihara, visits to Yasukuni Shrine by senior officials, the whitewashing of prewar Japanese aggression in school textbooks, Japan’s reluctance to compensate its surviving wartime victims, and the steady enhancement of the SDF’s capabilities.

Many Japanese were dismayed and angered by this campaign. They had been apologizing for the war for decades and felt that they

had made amends by their generous economic assistance. In light of their commitment to democracy and pacifism, moreover, they regarded China's depiction of them as revanchists to be disingenuous. Beijing, it seemed, had ulterior motives in playing the guilt card, including catering to domestic anti-Japanese sentiment, gaining leverage on bilateral issues, and isolating Japan in Asia—although South Korea was the only East Asian country where the Chinese campaign had much resonance. Japanese “apology fatigue” set in. As in the earlier reaction against American hectoring on trade and defense issues, rightists put themselves in the forefront of demands that Japan stand firm in the face of foreign bullying. Support for war apologies declined, as did willingness to accommodate Chinese and Korean protests against official visits to Yasukuni Shrine and textbooks that offended them.

By the mid-1990s, Japanese were also apprehensive over China's expansive territorial claims and propensity to use force. They were disconcerted by Chinese nuclear testing and the buildup of the People's Liberation Army's missile and naval power projection capabilities. Even more alarming was China's resort to demonstrations of military force in the 1996 Taiwan strait crisis and skirmishing in the disputed Spratly Islands in the South China Sea—areas that sit astride the vital sea lanes linking Japan to Southeast Asia and points west. Against this background, many Japanese were rattled by Beijing's revival of its long-dormant claim to the Senkaku (Diaoyu) Islands southwest of Okinawa and refusal to accept Japan's demarcation of its Exclusive Economic Zone (EEZ) in the East China Sea. Their concerns grew at the end of the decade as the Chinese stepped up naval intelligence-gathering probes around Japan and

undertook exploratory oil and gas drilling operations within Japan's claimed EEZ.

The 1997–98 East Asian financial crisis and deepening of Japan's recession administered the coup de grace to Japanese hopes for a special relationship with China. These hopes were premised on an economically strong Japan mentoring a relatively backward China. Now, however, Japan and China traded places: Japanese confidence in their ability to act as Asia's economic leader plummeted, while the Chinese began to see themselves as playing this role. China emerged a winner from the financial crisis: its economy barreled ahead at double-digit growth rates, while Beijing earned accolades for not aggravating the distress of its neighbors by devaluing its currency. The Japanese, preoccupied by domestic reform, watched nervously as China put itself in the van of post-crisis moves to promote East Asian regionalism through the ASEAN Plus Three process. ASEAN shifted its focus from Japan to China by, for example, concluding an agreement with Beijing to form an ASEAN–PRC free trade area.

Confronted by a belligerent North Korea and an aggressive China, Japan sought to bolster its ties with Russia and South Korea. In 1997–98, Tokyo launched a diplomatic initiative to try to resolve its long-standing territorial dispute with Moscow over the southern Kurile Islands. Russian President Yeltsin was interested, but it foundered on the intransigence of Russian and Japanese nationalists (the former refused any concession on Russian sovereignty, while the latter insisted on it as a precondition for a peace treaty and economic aid). Japan had more success with South Korean President Kim Dae Jung, who wanted Japanese support for his “Sunshine Policy” toward North Korea and was willing to offer a quid pro quo.

Under his 1998 accord with Tokyo on history issues, Kim agreed to rein in criticism of Japan and lift the South Korean ban on Japanese cultural imports in return for a written apology. But South Korean antipathy and suspicion toward Japan were too deep-rooted to make this more than a temporary palliative.

Enter Koizumi

The accession of Prime Minister Koizumi in 2001 brought to power a popular conservative nationalist in the Nakasone mold intent on picking up where the latter had left off in making Japan a normal country. Koizumi benefited from the fact that the domestic political climate was more receptive to this course than it had been ten or even five years earlier. The postwar generation was now firmly in charge and was inclined toward change. Many saw Japan as adrift, beset by intractable economic problems, bullied on territorial and history issues, and menaced by missiles and spy boats. Despite burgeoning Sino-Japanese trade—which offered hope of salvaging a degree of cooperation with Beijing—economic diplomacy seemed to have reached a dead end. During the “lost decade” of the 1990s, Japan failed to forge a special relationship with China, sustain its partnership with ASEAN, break the Kuriles impasse with Russia, prevent India and Pakistan from going nuclear, or make progress in its bid for a UN Security Council seat.^[7]

Koizumi’s prescription for Japan’s ills was a heavy dose of Nakasone-style normalcy, which involved promoting patriotism,

^[7] The mood of frustration and disarray is captured by Yoichi Funabashi, “Tokyo’s Depression Diplomacy,” *Foreign Affairs*, November/December 1998.

strengthening the American alliance, and making the SDF a credible military. He implemented this agenda more forcefully than any of his predecessors, refusing, for example, to bow to Chinese and Korean protests against official visits to Yasukuni Shrine and objectionable textbooks. He thus made it clear that Japan, not they, would decide the contents of its textbooks, and how it pays respect to its war dead. Koizumi's stand drew considerable public support, especially among rightists. But those who backed him did so less because they agreed with right-wing war apologists than because he stood up against perceived foreign meddling. He also played to reviving state-centered patriotism as reflected in diet resolutions encouraging the singing of the national anthem and displaying the flag. Koizumi's moves to bolster the American alliance—participation in US missile defense plans, and SDF deployments in support of coalition operations in Afghanistan and Iraq—went beyond anything contemplated by his predecessors and would have been politically impossible only a few years earlier. Japan, it seemed, had crossed the Rubicon toward acceptance of collective security responsibilities.^[8] It did so, moreover, on its own initiative rather than in response to Washington's prodding or fear of American abandonment. Koizumi became the first prime minister to preside over a national consensus that favored standing shoulder to shoulder with the US in facing down aggressors. The War on Terrorism precipitated this shift. Japan, after all, had a brush in 1995 with homegrown terrorists bent on inflicting an apocalypse of mass murder. More fundamentally, however, the Japanese were

^[8] John H. Miller, "The Glacier Moves: Japan's Response to US Security Policies," Asia-Pacific Center for Security Studies Special Assessment, March 2003.

reacting to their threatening environment, lack of reliable friends, and the bankruptcy of economic diplomacy.

The third front of Koizumi's drive toward normalcy—turning the SDF into a real military—entailed building up its capabilities and lifting legal and political constraints on its deployment. During the Cold War, the SDF evolved into a formidable fighting force armed with state-of-the-art equipment. But it remained configured for homeland defense and saddled with restrictions unimaginable in normal militaries such as the need to seek diet authorization for any use of force. Some of these restrictions were loosened in the 1990s as Japan began to participate in UN peacekeeping operations and revised its defense guidelines to permit logistical support to US forces in regional military conflicts. But Koizumi stepped up the pace of reform, securing diet approval of legislation enabling the SDF to react in emergencies, increasing the authority of the cabinet to order it into action, and widening the range of circumstances in which it could employ force. The diet also agreed to provide it with aerial refueling and other power projection capabilities.

By the mid 2000s, a plausible case could be made that Japan had become a normal country and one of Washington's staunchest allies. But there were signs that it had not jettisoned its pacifist heritage. As much as Koizumi talked about the need to cast off pacifist constraints, he continued to respect them. At no point did the Japanese government publicly acknowledge that it had embraced collective security, or express a willingness to put the SDF in situations where it might have to engage in combat. Nor did it seriously challenge other pillars of pacifist orthodoxy, including

the 1 percent of GNP cap on defense spending, the ban on arms exports, and Japan's non-nuclear principles. Moreover, Koizumi's push to make the SDF a normal military fell well short of this goal. The SDF remained a paramilitary in form, still denied the status and legitimacy of a full-fledged military and subject to unusual restrictions such as the prohibition of its participation in combat-related exercises with non-US militaries.

Conclusions

Why should a normalizing Japan cling to pacifist ideals and taboos? Perhaps deception is involved. For those who believe that the Japanese are predisposed toward militarism and ultranationalism, their proclaimed pacifism is only posturing designed to conceal their reviving aggressiveness. Apology fatigue and the menacing rhetoric of rightists seem to support this diagnosis. However, the postwar conversion of Japanese to pacifism and their continued attachment to MacArthur's peace state ideal belie the reviving militarism interpretation. Considered in comparative perspective, Japanese are unusual for their relative indifference to state-centered patriotism and aversion to military force and, indeed, violence in any form. Popular support for driving off North Korean spy boats and renewed respect for the national anthem and flag may reflect marginal changes in their outlook, but the image of contemporary Japan as a militarist Mr. Hyde inexorably emerging from a pacifist Dr. Jekyll is clearly a fantasy.

Another, somewhat more plausible explanation holds that normalcy, not pacifism, is the real smokescreen. According to this

view, Japanese elites are merely feigning willingness to step up to the plate on military burden-sharing to placate Washington while they proceed with business as usual—pursuing mercantilist policies in the framework of omnidirectional diplomacy.^[9] This interpretation accurately describes Japan’s posture during the late Cold War period. Even today, many Japanese, especially in the business community and economic bureaucracy, favor an economics-first approach and regard international politics as an unwelcome distraction. But the business as usual interpretation is stuck in a Cold War time warp. It fails to take into account post–Cold War social, political, and attitudinal changes, including the ascendancy of the postwar generation, the decline of the left, rising threat perceptions of North Korea and China, and the perceived failure of economic diplomacy to assure Japan’s security.

Considered from the reluctant realism perspective, the Japanese are in the throes of emerging from their Cold War pacifist cocoon and confronting the harsh realities of international politics.^[10] They are betwixt and between in this process—loathe to leave the comfort and safety of pacifism, but impelled to do so by the logic of their threatening environment. This situation is, however, only temporary. Normalizers, it is argued, are gaining control of Japanese policy and will soon dismantle the crumbling edifice of pacifism through either de facto or de jure revision of Article Nine. Public opinion seems to favor this course and a pro-revision consensus is apparently forming in the diet. But given a moribund left, menacing environment, and

^[9] Eric Heginbotham and Richard J. Samuels, “Japan’s Dual Hedge,” *Foreign Affairs*, September/October 2002.

^[10] Michael J. Green, *Japan’s Reluctant Realism: Foreign Policy Challenges in an Era of Uncertain Power*, New York: Council on Foreign Relations Press, 2001.

enthusiastic cheerleading by Washington, one must ask why the Japanese have not moved faster and further down the road to normalcy than they have. It is also not obvious why they will continue to move in this direction absent some compelling reason to do so.

A fourth, conscientious objector interpretation starts from the proposition that the Japanese are still fundamentally pacifists, not reluctant realists. Looked at it from this angle, support for Koizumi's moves toward closer military and strategic cooperation with the US stems less from a shift to a new realist worldview than from a desire to try to adapt Japan's pacifist ideals to a changing and less hospitable environment. Passive onlookers of the Cold War, the Japanese are now the equivalent of rear echelon ambulance drivers in the American alliance. But this is as far as they will go: the idea that they will soon take their place as front-line fighters is wishful thinking. This perspective highlights what the reluctant realism school fails to address—the apparent vitality and adaptability of Japanese pacifism. It also casts doubt on the assumption that Japan is moving down a realist track leading inevitably to full acceptance of collective security responsibilities, including a willingness to deploy the SDF in combat.

Where, then, is Japan headed? One can safely dismiss the reviving militarism hypothesis. The mercantilist business-as-usual view is also a nonstarter, although it usefully emphasizes the continuing importance of economic factors in Japanese foreign and security policies. The putative shift from pacifism to realism offers a more plausible interpretation of the changes afoot in Japan. Still, by ignoring pacifism except as an obsolete and dying creed, it exaggerates the clout of normalizers and the inevitability of their triumph. Viewing Japan as still a nation of conscientious objectors—albeit no longer

passive onlookers of international politics—provides a corrective. In the final analysis, however, one cannot be sure how the Japanese will come down. They have yet to face a crisis that would force them to confront seriously the question of whether they are willing to use force outside of self-defense. They may be hoping that they will be lucky enough to postpone indefinitely the necessity to address this question.

Chapter 9

Korea, Russia, and the 21st-Century Challenges

Igor Tolstokulakov*

Introduction

In assessing the current situation in Northeast Asia (NEA), it becomes apparent that the Russian Federation (RF) is playing a peripheral role in regional politics, despite its strong aspirations to participate on equal terms in NEA's political and economic interactions. At the same time, the Republic of Korea (ROK) has been attempting to act as one of the key states in NEA. This is with good reason: the situation on the Korean Peninsula does not only depend on the policies and interests of the neighboring states, but also defines greatly the situation in the subregion, and in the Asia-Pacific region as a whole. While considering the US and Japan as main players in NEA international relations, it is important to see the growing efforts of the ROK. South Korea aspires and is prepared to become an equal partner in the region's political and economic processes. This is possible not only due to the capacity of its goods and investment markets, financial and human resources, and active participation in various forms of exchange and cooperation with the Asia-Pacific and NEA countries, but also thanks to the political strategy of the ROK government since the late 1980s. This strategy

* *Igor Tolstokulakov is Head of Department of Korean History, Economy and Culture of the Far Eastern National University, Vladivostok.*

is designed to provide the ROK with “the status it is worthy of and deserves” in the system of regional and international relations.¹

Modern Korea, along with other Pacific Rim countries, is one of the fast-developing strategic areas of the world and “a long-term interest of Russia as a Euro-Asian Power.”² The system of regional stability in NEA is provided by a number of states, and the ROK is among those topping the list. In this connection, it becomes clear why the political and academic circles have become so interested in Korean issues. This chapter will review crucial issues and prospects for the situation on the Korean Peninsula, the status of the dialogue between the two Koreas, and their relations with regional neighbors—Russia, China, Japan, and the US.

Korea and Russia

Russia’s interest in developing relations with the ROK and its sensitivity to any change on the peninsula are connected with its own economic and political concerns, and—in the first place with enhancing security and stability in its Far Eastern region. Pursuing these strategic goals, Russia has improved its relations with China

¹ Address by President Kim Young Sam on National Policies for 1996 (January 9, 1996): “To Build a First-Class Nation by Righting the Wrongs of the Past and Improving the Quality of Life,” *Korea Observer*. Spring 1996. Vol. XXVII, № 0-1, pp. 135–144; Address to the Nation By Roh Moo-hyun, Winner of the 16th Presidential Election. December 20, 2002, http://www.korea.net/kwnews/pub_focus/main.html. 21 December 2002 and Inauguration Address by President Kim Tae Joung, *Chungang Ilbo*, 26 February 1998, (in Korean).

² A. V. Bolyatko, *Dal’niy Vostok: v poiskah strategicheskoi stabil’nosti*, (*Russia’s Far East in Search of Strategic Stability*, in Russian) Moskow, 2003, p. 3.

and the ROK, and treats the Korean problem seriously enough. This new policy became possible after an obvious and substantial transformation in the political course of the RF in the early 2000s. The new course is based on a clarified definition of Russian national interests in NEA.

From the perspective of ensuring peace and security in the region, the Russian government's decision to improve the inter-state relations between Russia and the Democratic People's Republic of Korea (DPRK) is very reasonable. The RF seeks a balanced relationship with both Korean states, basing its policy on separating political and economic interests. Today, Russia tends to preserve the status quo in the Korean question on the basis of a neutral position of "equal distance." At the same time, Russia is supporting political and feasible economic contacts with North Korea, and strengthening comprehensive relationships with South Korea. Despite the policy of equal distance, some foreign experts are still convinced that in case of a common threat or adversary, Moscow and Pyongyang could reinstate close military interaction based on the previous alliance of the Soviet era.³

Having signed the new Treaty of Friendship and Cooperation in 2000, the RF and the DPRK have succeeded in settling their bilateral relations. This entailed Moscow's shift from the previous course of giving priority to developing relations with Seoul to the policy of *two Koreas*. Soon after the collapse of the Soviet Union, the new Russian leaders erroneously assumed that the regime in North Korea was doomed to the destiny of East European countries. The new

³ Joo Seung-Ho, "DPRK–Russian Rapprochement and Its Implications for Korean Security," *Pacific Observer*, Vol. 2, 2003, p. 38.

leaders might have made the conclusion that Korea would be unified in the near future, and it would happen on South Korea's terms. As a result, Russia started to cooperate with Seoul, virtually ignoring the DPRK. But the Pyongyang regime proved its vitality and relative stability and showed no signs of "inevitable collapse." Given this situation, the new administration of Russia reconsidered its policy concerning the Korean Peninsula and started normalizing relations with North Korea.

Obviously, Russia should keep developing an unbiased position and making well-balanced efforts in its relations with both South and North Korea. At the same time, it should separate its own political and economic interests. In practice, this may lead to certain problems or even complications in the relations with the ROK and the DPRK on some policy issues. In other words, Russia must be neutral in its relations with the two Koreaes in the political sphere, especially in the matters of inter-Korean relations. On certain international issues—for example, regarding the US pressure on the DPRK or its attempts to impose international sanctions on Pyongyang in connection with North Korea's nuclear and missile programs—Russia may resort to its veto right in the UN Security Council. At the same time, all sensible experts seem to have no doubts that the RF, in keeping with its own and South Korean interests, supports the non-nuclear status for the Korean Peninsula and insists on a peaceful and diplomatic solution to the Korean problem in general, and the missile-nuclear problem of the DPRK in particular.

There is no point ignoring the fact that Seoul is a more important partner to Russia than Pyongyang in terms of trade, economic, investment, and military/technical cooperation. This was

reaffirmed by the recent visit of President Roh Moo-hyun to Moscow. The leaders of the two countries expressed similar positions on enhancing trade, economic, and military-technical ties. The leading role of South Korea in investments in the Russian Far East was again acknowledged. Apparently, this could be correlated with the new turn of the Japanese policy toward Russia. The recent statements by Prime Minister Junichiro Koizumi on the Northern Territories problem⁴ demonstrate a new freezing in relations between Moscow and Tokyo, which gives a significant advantage to South Korean business interests.

The South Korean direction in the economic policy of the RF remains one of its top priorities, which is explained not only by the interests and intentions of the ROK government and businesses to participate in a number of significant projects on the territory of the neighboring state, but also by the fact that Russia is not able and willing to provide economic support to the DPRK. Under the present conditions, the bilateral economic cooperation between the RF and North Korea has no prospects for considerable growth. Given Russian economic interests and the inability of Pyongyang to solve the problem of its debt to Moscow, we should not expect any breakthrough in their economic relations.

It is therefore likely that Russia will be neutral in its approach to both Koreas for some time to come. Russian President Vladimir Putin's administration, while separating political problems from possible economic advantages, will be trying to gradually strengthen its reputation and influence on the peninsula and, simultaneously, will keep developing economic cooperation with the ROK, especially in the field of transportation and energy.

⁴ *Fortune*, № 8, 2004, pp. 14–15.

The question is often asked whether Moscow is trying to reinforce its influence on Pyongyang—and through it—on the entire Korean Peninsula. The relations between Russia and the DPRK will never be as they once were when they were based on their ideological solidarity and military-political alliance. The most rational option is to maintain normal relations between the two countries. However, if Moscow were to commit itself to providing the North Korean regime with arms and energy on terms favorable to Pyongyang, the bilateral political ties would improve significantly and almost immediately. The North Korean weapons and military equipment depend on Russian technologies. Thus, it is important for the DPRK to have a steady delivery of Russian spare parts and equipment, as well as modern automated and computerized military equipment. But the current Russian government is very unlikely to do that in spite of the “temptation” to use this dependence of North Korea to keep control over the Kim Jong Il regime. However, the military cooperation of the RF and the DPRK could be reinforced if both states were to face a common threat or enemy. For example, the RF could revise its position in the case of uncontrolled development of the antimissile defense systems by the US and Japan, or in case of their preventive military attacks against the missile facilities in the DPRK. Only this can encourage Moscow and Pyongyang to become closer in the military field.

South Korea’s views on the relations with Russia are noteworthy. In recent years, many Russian experts and entrepreneurs expected higher investment activity of the ROK in the Russian market. These expectations were based mostly on the recovery from the financial and economic crisis of 1997–98, as well as the revival of

the Russian-Korean political dialogue in 2001–02. However, experts on South Korea's external economic policies have been rather skeptical in their estimates concerning the Korean investments in Russia. The business circles of the ROK have taken a very cautious, wait-and-see approach toward their Russian partners. There have been a number of subjective and objective reasons for this. First, the Korean entrepreneurs are cautious and shun any high-risk projects. They are aware of the not-so-flawless reputation of the Russian businesspeople and do not want to incur any trouble. Second, there are many opportunities elsewhere for the South Korean businessmen to find safer places to invest. One more reason widely known in the ROK (and always referred to by the opponents of expanding contacts between the ROK and the RF) is that all the joint investment projects—without exceptions—have either failed or are in very poor economic condition. The list of notable failures includes the logging project in the Svetlaya Bay, as well as the textiles ventures in Primorye, which had to close down in 2004.

As the negotiations on the economic cooperation have been revived of late, one can mention a national trait of Koreans, which is that of absolute pragmatism. In this context, it becomes clear why the ROK have shown interest only in a very limited range of areas of cooperation with Russia. These areas of interest include raw materials, energy, the promotion of Korean products in the Russian market, and the military-industrial complex (there are some other areas of steady interest for the Korean partners, but all of those are connected with either the military-industrial complex or raw materials). As for the Russian military-industrial complex, the ROK side has been demonstrating a certain interest for many years due to the high quality

and reasonable prices of Russian weapons. However, the ROK is interested not only in military hardware but also in high-tech products. (Of course, the Russian military products face serious competition from the US and Japan, as well as encounter fierce opposition from the pro-American lobby in Korea's government circles.) Likewise, the ROK has been interested in the Russian raw materials market for some time. However, one can talk about a new "old" tendency: South Koreans trying to buy as much raw materials as possible, at the lowest, possible price. Moreover, some raw materials bought from Russia are resold by Korean entrepreneurs to other countries (in particular, Taiwan) at a substantial profit. South Korea has also definitely shown its interest in the only field of Russian raw materials processing, that is, oil processing.

The fact that Russia is attractive to Korea as a source of raw materials needs no proof. But there are some new developments in their processing. A few years ago, the Koreans preferred to process raw materials in their own country. Now, due to the fast growth of ROK labor costs and the increase in other operating expenses, it has become more profitable to set up the processing facilities in Russia. This is why the ROK has decided to invest in Russia in order to build and modernize Russian oil-processing plants. The business circles in the ROK also are ready to make some investments in Russian economy, but only if they consider it worthwhile. Korean pragmatism is also evidenced regarding the connection of the Trans-Siberian Railway to the railway net of Korea. The question has been discussed for several years already, and all sides concerned are ready to cooperate. However, the final decision has not yet been made, although Russia has been expecting it for some years because the main route

of the Trans-Siberian Railway (i.e., along the Sea of Japan coast, or along the Yellow Sea coast) remains to be defined. We assume that the main reason for this delay is political rather than economic: the ROK and the DPRK have been exploiting the antagonistic interests of China and the RF, while receiving maximum political dividends. In our opinion, the situation with the Trans-Korean Railroad will remain uncertain until it is one of the few means that both Korean states can use to pressure Moscow and Beijing.

Russia has to follow the principles of *limited involvement* and *equal distance* toward the two Koreas, and maintain the positive attitude toward unification of Koreas. Any conflict in the NEA region is a direct threat to military, political, and economic security of the Russian Far East. At the same time, it would hardly suit Russian interests to have a powerful, but hostile, state as a united Korea in its close neighborhood. In this regard, the majority of Russian experts argue that Russia should seek the assurances of permanent and positive neutrality of the reunited Korea in the future. The priority in raising this question belongs to a prominent Russian expert on Korea, V.F. Lee.⁵ But there are no guarantees that the process of unification and nation building of the reunited Korean state will go according to a scenario favorable to Russia. A reunited Korea maintaining close military and political alliance with the US and/or Japan may become a more serious threat to Russia than it is now. Therefore, the main priority for Russia is to preserve the status quo on the Korean Peninsula, at least in the short term. As for long-term objectives,

⁵ V. F. Lee, *O bessrochnom neitralitete Koreiskogo poluostrova v svete mirovogo opyita dvadtsatogo veka. Moscow, (On Permanent Neutrality of Korean Peninsula in the Context of the 20th Century Developments, in Russian), 1999.*

Russian foreign policy has to secure a positive neutrality from the future unified Korea.

Korea and the United States

For the US, the Korean Peninsula remains a buffer zone protecting its vital interests against the continental pressure from China and Russia, and is very important in ensuring stability in NEA.⁶ According to some American experts, the development of American-Korean relations and the prospects of Korean reunification are closely connected with the complex process of international interaction between the US, Japan, China, and, in some way, Russia.

It is very important for the US to preserve the ROK as its military and political ally. However, the geopolitical situation in NEA makes it possible for South Korea—which would like to be free from the traditional American protection—to enter some new alliances. The ROK has not fully solved the problem of its national security since the beginning of the new millennium, and still depends on the military and political support of the US. It is almost certain that this question will hardly be resolved in the near future, so US troops will continue to remain on the Korean Peninsula. At the same time, the American administration has tried to gradually shift the burden of protecting South Korea to South Korea's own military.

Meanwhile, the ROK continues to pursue the course of gradually softening the American guardianship and disengaging from it. In the last few years, the ROK has undertaken numerous steps

⁶ Selig S. Harrison (ed.), *Turning Point in Korea: New Dangers and New Opportunities for the United States*, Chicago, 2003, p. 17–18.

including research in missile and—as has recently become known—nuclear technologies. Some of these steps in the international arena demonstrate increasing ROK independence. It is obvious that South Korea is trying to ensure its own national security as the Americans reduce their military presence. For this reason, such actions by the South Korean government must not cause anxiety on the part of its neighbors—even in the DPRK——because the withdrawal of American troops is the principal condition for establishing normal relations between the two Koreas.

Within the American political and military establishment there are different assessments of the goals of the US policy toward the Korean Peninsula. It is evident that the so-called hawks prevail in the Bush administration. These officials wish to retain the status of America as the world superpower and predominant force, while preventing any potential competitor from challenging US interests. Unfortunately, the DPRK is currently on Washington's blacklist. Previously, the consistent efforts by the peacemaking team under the Clinton administration had some positive influence on the situation in NEA and contributed greatly to the establishment of contacts between Pyongyang and the world community. However, these improved relations were brought to nothing when President George W. Bush included Pyongyang in his famous “axis of evil” speech.

The pursuit of neo-hegemonic ideology is based on a strong belief in the US economic and social superiority, and on US's mission to help other countries in finding ways to progress democracy. Other possibilities for development are not even considered by the present American leaders. However, we should say that here we do not mean the imperial model of *hegemonism*,

which is characterized by imposing one's will; we understand *neo-hegemonism* as the US aspiration for becoming the global example and pattern for every country to follow. From this point of view, the North Korean regime was doomed to attract American foreign policy interest, and the only question was the way in which Washington was going to deal with Pyongyang.

It is clear that the US hawks have been preparing the most radical option of pressuring the DPRK, and that President Bush seems to support them. Under the national security doctrine, Washington is ready to attack any country and any area if it threatens "American values and way of life." It is obvious that the substantiation of nuclear threat from the DPRK is only the first step in that direction. One might suggest that Pyongyang has not become a military target of the US only due to the burdensome military campaign in Iraq.

There has been a real revolution in the US military within the recent years,⁷ which has been caused not only by technological achievements, but also by reconsidering the philosophy of warfare. Now the Americans prefer to wage preventive, mobile wars on the enemy's territory with minimum human resources participating in action. This can easily explain why Washington is ready to gradually withdraw its troops from South Korea, which is very close to a potential conflict zone.

As for the ROK, not everybody there agrees to lose the American military shield, which for half a century has been protecting South Korea and providing it with the conditions for building a society after the Western model. Seoul, including President Roh,

⁷ K. V. Asmolov. Voennye spetsialisti Soedinyonnyih Shtatov Ameriki ob aktual'nyih problemah Koreiskogo poluostrova. Moskow, 2004, (US Military Experts and the Korean Peninsula, in Russian, unpublished manuscript).

demonstrates some inconsistency on this issue as the Korean government tries publicly to win over the pro-democratic and pro-nationalist circles of South Korea, as well as the world community. At the same time, at closed-door meetings and negotiations, the ROK government still admits the necessity of the US military presence, and, in general, approves of the policy of pressure on Pyongyang.

In our opinion, the main threat to stability on the Korean Peninsula is the current policy of the US Administration. Fortunately, in America, the hawks do not enjoy unanimous support. This could be clearly seen during the 2004 election campaign when President Bush and some aspects of his foreign policy—including his stand on Korea—were sharply criticized by a large number of Americans. Critics included not only his political rivals or professional experts, but ordinary Americans as well. This provides hope that the US will return to the agreements reached between the Clinton Administration and the DPRK in the late 1990s. The problems of the Korean Peninsula can be solved only by mutual concessions. Attempts to mount forceful pressure upon Pyongyang, let alone a military attack against the DPRK, may lead to an unpredictable catastrophe turning into an even more disastrous geopolitical tragedy than Yugoslavia or Iraq.

The most positive scenario—not only for Russia, but also for the US as well as other NEA states—would be maintaining a flexible partnership between the ROK and the US. This is provided Seoul gradually becomes independent both in its international affairs and national defense. The recognition of the status quo on the peninsula and concrete steps on the part of the US administration to improve the relations with the DPRK would also have a positive effect.

The gradual engagement of the DPRK into the international community by mutual efforts of the two world powers (that is, the US and Russia), could certainly provide the necessary conditions for an economic and step-by-step political modernization of the North Korean regime. None of the DPRK neighbors wants an impetuous collapse of the regime as it could seriously destabilize the region. While it is important to acknowledge the necessity of changes in North Korea, support the rights of its citizens to democratic freedoms, and consider the totalitarian system in the DPRK as anachronistic, nevertheless, the transformation of the social and political system of the DPRK should be evolutionary.

Since the end of the Cold War, the US role in NEA and on the Korean Peninsula has been steadily decreasing. As soon as the Korean problem is solved with China playing a leading role, the US strategic influence in Asia will weaken even more. It may sound paradoxical, but within the last two or three years, the political role of the US in the peninsula has been gradually declining. Many foreign experts emphasize the fact that China is regaining its influence and predict the inevitable rapprochement between China and Japan, as well as between China and South Korea. While these processes affect the situation on the Korean Peninsula, it is the Korean situation that, to a large extent, predetermines them.⁸

⁸ J.M. Parker. "Korean Stability and the US–Japan–China Relationship," *Far Eastern Economic Review*, № 8. 2003.

Korean Reunification

How can the two Korean states achieve peaceful reunification and sovereignty under the present circumstances? As it has been for many centuries, Korea may be perceived as a weak state that depends on the interests and actions of other powerful countries. But this vision reveals only part of a greater problem: any other state in East Asia is as much dependent on the outcomes of the Korean reunification as the states of the peninsula itself.

It is hard to single out the main element in the complex of problems concerning the DPRK and the ROK. However, one should give priority to the analysis of the factors encouraging or impeding their rapprochement. The relatively independent position by Seoul concerning the dialogue with the DPRK, which became obvious after 2000, can be viewed as positive. It must be recognized, above all by the US, that today the DPRK and the ROK are able to solve the problems of the Korean Peninsula on their own. The principal ways of the unification process should be through enhancing trade and economic relations as well as humanitarian ties. All the interested parties must realize that the main thrust of their efforts on the Korean Peninsula should be aimed at maintaining the status quo in the short term, while providing for a positive neutrality of the reunified Korea in the future.

Now is the time of both danger and hope for Korea. Some experts consider the unification as a means of reinforcing regional stability. However, Korea is only one key to solving the problem. This is because the final resolution of the Korean issue will fundamentally transform the situation not only in NEA, but also in

the entire Asia-Pacific region. We must acknowledge that South Korea's recovery from its past financial crisis and its economic potential place on the agenda the necessity of further political reforms. Meanwhile, the DPRK's military potential remains its obvious asset. When analyzing and forecasting events in NEA, we should bear in mind the uncertainty and unpredictability of Pyongyang's intentions. Situated between the superpowers, it is Korea that will determine peace and stability and the economic success of the entire NEA region.

Chapter 10

Resolving the North Korean Nuclear Problem: The Status Quo versus the Transformative Approach

Steven C. Kim*

In October 2002, Democratic People's Republic of Korea (DPRK) admitted to having a secret enriched uranium program to the US and, thus, precipitated a crisis on the Korean Peninsula over their covert nuclear program. Along with DPRK, the five countries—China, Russia, Republic of Korea (ROK), Japan, and the US—with a stake in the outcome of the nuclear conflict convened the six-party talks to resolve the nuclear crisis. But resolving the North Korean nuclear problem through these talks has proved to be difficult because the five countries have not been able to agree on a common approach for divesting the DPRK of its nuclear program. While they ostensibly share a common goal in ending the DPRK's nuclear arms program, they have advocated different approaches for achieving that end. These methodological differences have greatly hampered the progress of the six-party talks not only by undermining cooperation among the five countries, but also their efforts to get the DPRK to engage in serious negotiations. In fact, the DPRK has been skillful in exploiting their differences to influence the direction and pace of the talks and, as a result, strengthen its own bargaining position vis-à-vis its negotiating partners.

* *Steven Kim is an assistant professor at the Asia-Pacific Center for Security Studies, Honolulu.*

The reason the five countries have failed to agree on a common approach is because their differing domestic and foreign policy interests have led them to pursue conflicting policy goals toward North Korea that, in turn, have shaped the approaches of the respective countries in resolving the nuclear problem. Their divergent interests have caused a fundamental split among themselves over the question of whether the DPRK should remain a viable political entity—that is, whether the North Korean regime should be preserved—or whether it should be transformed or changed altogether. It is this key difference in their policy goals toward North Korea that has led them to adopt conflicting approaches for resolving the nuclear problem. In fact, the nuclear problem has only helped to amplify and sharpen the differing interests that divide them. Thus the fault line has not been caused by North Korea's nuclear problem per se, but by the wider ramifications of how their differing policy goals toward North Korea are affected by the way in which the North Korean nuclear problem is ultimately resolved.

As a result of their differing policy goals, the five partners in the talks have coalesced into two distinct groups distinguished by their conflicting approaches for resolving the DPRK nuclear problem.¹ The first group—consisting of China, Russia, and the ROK—favors a patient, pragmatic, and risk-averse, problem-solving approach designed to avoid conflict. This is because these countries believe their interests are best served by preserving the North Korean regime. This approach is known as the status-quo approach. However, the second group—consisting of the US and Japan—supports a speedy, uncompromising, and confrontational approach aimed at pressuring the DPRK to abandon its nuclear program. These two countries believe

that their interests require a transformation or change of regime in the DPRK, also known as the transformative approach. It is the two groups' conflicting policy goals that have hampered them from reaching consensus on how best to achieve a nuclear-free DPRK.² Therefore, in order to understand the current predicament of the five countries in adopting a common approach for resolving the North Korean nuclear problem, this chapter will attempt to explain how their conflicting policy goals toward the DPRK, shaped by their

¹ Although the six-party talks were originally convened to resolve the North Korean nuclear crisis by bringing to bear on Pyongyang the collective will of China, the ROK, Russia, the US, and Japan to divest DPRK of its nuclear program, they have not been able to agree on how best to achieve that goal. In fact, what has crystallized from the talks is their sharp disagreement over the proper approach in dealing with the DPRK threat. This disagreement has become increasingly evident with each escalation of the nuclear problem by the DPRK. Even Pyongyang's declaration of its nuclear power status and amid concerns soon afterwards that the DPRK might be preparing to conduct nuclear tests have not resulted in any appreciable decline in the conflict among the five countries over the proper problem-solving approach toward the nuclear problem. One cannot read a press account of the ongoing North Korean nuclear crisis by the mainstream news media without seeing some reference to the conflicting approaches of China, Russia, and the ROK on the one hand, and the US and Japan on the other, as an obstacle toward resolving the nuclear issue. See, for example, Christian Caryl, *Newsweek*, June 20, 2005; Tom Raum, "Bush, S. Korean Leader Differ on N. Korea," [washingtonpost.com](http://www.washingtonpost.com) (accessed 6/10/2005); Norimitsu Onishi, "South Korea Urges the North to Rejoin Talks on Weapons," *New York Times*, May 13, 2005, p. A12; and Joseph Kahn, "China Says US Criticisms Impeded North Korea Arms Talks," *New York Times*, May 13, 2005, p. A12.

² See Andrew Scobell, "China and North Korea: From Comrades-In-Arms to Allies at Arm's Length," <http://www.carlisle.army.mil/ssi/pdf/files/pub373.pdf>, p. 26. The author states that, "China and the United States have different priorities. Beijing's top priority is Pyongyang's survival, while Washington's aim is preventing Pyongyang from possessing and proliferating WMD." Also, see Bates Gill and Andrew Thompson, "A Test for Beijing: China and the North Korean Nuclear Quandary," *Arms Control*, May 2003, <http://www.armscontrol.org/subscribe.asp>. The authors state that the differing approaches taken by China and the US to resolve the North Korean nuclear crisis have exposed "divergent priorities and strategic preferences between Washington and Beijing."

differing domestic and foreign policy interests, are linked to their contrasting problem-solving approaches. It will also examine implications of the complex nexus of policy goals/interests/problem-solving approaches of the five countries for the prospects of resolving the DPRK's nuclear threat.

The Status Quo Approach of China, Russia, and the Republic of Korea

United by their common interest in preserving the North Korean regime because the consequences accruing from its collapse will be harmful to their domestic and foreign policy interests, China, Russia, and the ROK have adopted a status-quo approach in resolving the DPRK nuclear problem.³ This problem-solving approach is aimed at engaging the DPRK in negotiations through bargaining and compromise in order to achieve a peaceful settlement. To insure a peaceful, negotiated settlement of the nuclear problem, they believe it is imperative that the five countries eschew any moves to apply direct pressure on the DPRK that might lead to a military conflict in the Korean Peninsula which, in turn, would likely lead to the collapse of the Kim Jong Il regime. They also believe that successful

³ According to Gill and Thompson, Beijing and Seoul have a common interest in "giving a high priority to a more accommodating, negotiated resolution" to the DPRK nuclear problem. Gill and Thompson, "A Test for Beijing: China and the North Korean Nuclear Quandary." See also, Robert Sutter, "The Rise of China and South Korea," in *Joint US-Korea Academic Studies*, vol. 15, 2005, p. 25 and Alastair Iain Johnston, "China's International Relations: The Political and Security Dimensions," in Samuel S. Kim, ed., *The International Relations of Northeast Asia* Oxford: Rowman & Littlefield Publishers, Inc., 2004, pp. 80-81. For Russia's support of the status-quo approach, see Clay Moltz, "Russian Policy on the North Korean Nuclear Crisis," <http://nautilus.org/DPRK/BriefingBook/russia/ruspol.htm> (accessed 6/2/2005). According to the author, "Russia sees the solution to the current crisis in a negotiated settlement, believing that threats, sanctions, and accusations are counter-productive."

negotiations will require the two primary antagonists in the six-party talks—that is, North Korea and the US—to acknowledge each other’s legitimate grievances and resort to compromise in settling their differences. Thus the unwavering goal of this approach is for the five parties to work toward a peaceful settlement of the nuclear issue with the DPRK’s current regime, in which Pyongyang abandons its nuclear weapons program in return for economic assistance, diplomatic recognition, and security guarantees from its partners. In other words, the goal would be to engineer a soft rather than a hard landing. According to these countries, the only way to avoid military conflict and a possible DPRK-regime collapse is to avoid any actions that might undermine the success of the negotiations in achieving a peaceful outcome.

Although all three countries support the status-quo approach, China and Russia’s reasons for doing so are different in some crucial aspects from the ROK’s. China and, to a lesser extent, Russia have a fundamental interest in preserving the DPRK regime because they believe their domestic and foreign policy interests are best served by preventing its collapse and possible demise.⁴ They are concerned that the turmoil accompanying a sudden collapse of the Kim Jong Il regime will lead to a massive refugee problem and disruption of their economies, threaten their internal security, and possibly threaten their own political stability.⁵ For the Chinese, the impact of turmoil in the

⁴ For a thorough discussion of the bilateral relationship between China and the DPRK and the ramifications of the DPRK nuclear problem for Chinese geopolitical interests, see Scobell, “China and North Korea: Comrade-In-Arms at Arms Length.”

⁵ *Ibid.*, p. 16. The Chinese fear that the process of Pyongyang’s collapse will be highly “destabilizing, probably tumultuous, and perhaps even cataclysmic,” and will “play out to China’s detriment.”

DPRK on its economy is especially worrisome since regional peace and stability is crucial to the imperatives of the ruling communist party—that is, maintaining a high economic growth rate.⁶ Also, as two of the remaining Leninist regimes left in the world, the Chinese believe that the continued viability and the health of the DPRK regime is important for bolstering its own political legitimacy. Further, the Russians do not want any instability along their border that might interfere with their political and economic development, as well as their security, especially in the Russian Far East.⁷

The collapse of the current DPRK regime, moreover, would have important long-term strategic implications for China and Russia. Russia and China have a comprehensive and strategic view of the DPRK and its ongoing nuclear problem as a result of Pyongyang's geographic closeness, as well as the geostrategic importance of the Korean Peninsula.⁸ In their desire to counter US dominance in the region, the DPRK serves the useful purpose of checking the US and its allies, namely, the ROK and Japan. This importance of the DPRK is growing especially for the Chinese, as Japan seeks to counter the

⁶ See Paul H.B. Godwin, "China as Regional Hegemon?" in John Rolfe, ed., *The Asia-Pacific: A Region in Transition*, Honolulu: Asia-Pacific Center for Security Studies, 2004, pp. 84–86 and David Murphy, "Softening at the Edges," *Far Eastern Economic Review*, November 4, 2004.

⁷ Joseph P. Ferguson argues in "Russia's Role on the Korean Peninsula and Great Power Relations in Northeast Asia," *NBR Analysis*, vol. 14, no. 1 (June 2003) that Russia's primary goal is regional stability because it wants to economically develop the Russian Far East with a minimum of disturbance.

⁸ The enduring nature of the geostrategic interests of China and Russia in the Korean Peninsula can best be seen in the case of China, in which, the same geopolitical considerations that guided China's policy toward the North Korea's nuclear program in 1991 and 1992 are again evident in the current North Korean nuclear crisis. See Chae-Jin Lee, "The Evolution of China's Two-Korea Policy," in Bae Ho Hahn and Chae-Jin Lee, eds., *The Korean Peninsula and the Major Powers*, Sungnam, Korea: The Sejong Institute, 1998, pp. 134–138.

rise of China by playing a more assertive diplomatic and military role in the region, as well as strengthen its military alliance with the US. Should the collapse of the North Korean regime lead to a ROK-led reunification of the peninsula and to a unified Korea allied with the US and Japan, China and Russia will no longer have a buffer in their strategic competition with the US, and, along with DPRK, be able to balance against the ROK-US alliance in the Korean Peninsula and the ROK-Japan-US alliance in Northeast Asia.⁹ Much to the unease of the Chinese, a South Korean-led reunification, moreover, will result in “an industrially strong, nuclear weapons-capable, and democratic Korea at China’s borders and dramatically alter the geopolitics of Northeast Asia.”¹⁰ For China and Russia, given the prospects of a growing strategic rivalry in Northeast Asia, even a nuclear-armed DPRK may not be totally unpalatable as long as they are able to retain influence over the regime.¹¹ Lastly, a divided Korea

⁹ China and Russia share a common strategic interest in maintaining a multipolar world and leveraging their regional and global cooperation against the US’s preeminence in world affairs. See Rouben Azizian, “The Optimists Have the Lead, for Now: Russia’s China Debate,” in Satu P. Limaye, ed., *Asia’s China Debate Special Assessment*, Asia-Pacific Center for Security Studies, December 2003. See also, Denny Roy, “China’s Reaction to American Predominance,” *Survival*, vol. 45, no. 3 (Autumn 2003), pp. 63–65, for a discussion of China’s circumspect attempts to externally balance against the US by seeking security cooperation with DPRK and Russia.

¹⁰ Brahma Chellaney, “China Reconstructs Past to Chart Future,” *The Japan Times*, October 25, 2004. See also, Victor Cha, “Defensive Realism and Japan’s Approach toward Korean Reunification,” *NBR Analysis*, vol. 14, no. 1 (June 2003), p. 23. According to the author, “China would not pass lightly over the security implications” of an “another noncompliant power (like Vietnam) on its southern flank with a competing ideological and social system.”

¹¹ Scobell, “China and North Korea: Comrade-In-Arms at Arms Length,” p. 14. According to the author, Chinese analysts affiliated with government think tanks believe that China is “able to live with a nuclear North Korea (although it would certainly prefer not to).”

enables China and Russia to maximize their influence on the Korean Peninsula and in Northeast Asia.¹²

In addition, the existence of DPRK has an added strategic significance for China seeking reunification with Taiwan and global power status. If China attempts to forcibly reunite with Taiwan, the US ability to effectively respond to a military crisis across the Taiwan straits would be lessened by the US military commitment on the Korean Peninsula. The Chinese, moreover, fear that the collapse of the DPRK regime increases the likelihood of conflict between China on the one hand, and the US and its allies—ROK and Japan—on the other, over the future of the Korean Peninsula. This is because China might intervene in the DPRK in order to protect its vital interests in a contingency.¹³ Notwithstanding the Taiwanese issue, China does not feel that it can afford to antagonize the US for the foreseeable future because, in order to realize its long-term aspirations of replacing “the US as a regional hegemon,” and achieving “parity with the US in global terms,” China must concentrate its energies in overcoming the existing gap in their capabilities.¹⁴

¹² Geoffrey York, “US Misreading China’s Stand on North Korea,” <http://www.theglobeandmail.com/servlet/story/LAC.20050517.KOREA17> (accessed 5/18/2005). The author states that, according to one Chinese scholar, “China is determined to preserve the North Korean regime as a way of maintaining its influence in the region.”

¹³ Scobell, “China and North Korea: Comrade-In-Arms at Arms Length,” p. 31. Scobell makes the point that, based on the Beijing’s December 2002 *Defense White Paper*, “it is quite likely that Chinese military would intervene in North Korea in the event of an implosion or military conflict north of the DMZ” in order to secure a buffer zone along its border. See also, Chae-Jin Lee, Conflict and Cooperation: The Pacific Powers and Korea,” in Nicholas Eberstadt and Richard J. Ellings, eds., *Korea’s Future and the Great Powers*, Seattle: University of Washington Press, 2001, pp. 73–74.

¹⁴ Denny Roy, “China’s Reaction to American Predominance,” *Survival*, vol. 45, no. 3 (Autumn 2003), p. 73.

Although South Korean interests overlap with those of China and Russia in pursuing the status-quo approach, the ROK has its own unique reasons for avoiding military conflict and preventing the possible collapse of the DPRK regime.¹⁵ As with China, the collapse of the North Korean regime poses grave problems for the ROK. The turmoil in the DPRK will lead to a massive refugee problem and disruption of the economy, threaten internal security, and, moreover, place an enormous economic burden on the ROK as it faces the daunting task of economic reconstruction of its northern neighbor. But more importantly, regime collapse has ominous implications for ROK's long-term goal of engaging the DPRK in order to achieve a peaceful, gradual reunification.¹⁶ Because China and the US may unilaterally intervene in the event of a DPRK regime collapse in order to protect their vital security/strategic interests on the Korean Peninsula, there is no guarantee that the ROK will be able to control the process of reunification free from the influence of the major powers in the region. In fact, direct involvement of external powers in determining the integration of the peninsula might diminish the ROK's role in shaping the future of a reunified Korea.¹⁷ Since these contingencies may complicate and ultimately hamper reunification, the only way in which South Korea can insure that reunification

¹⁵ For a succinct analysis of the South Korean approach in dealing with the North Korean nuclear issue and how it differs with the US approach, see Chung-in Moon, "Conflict and Cooperation in Northeast Asia," <http://www.asiamedia.ucla.edu/print.asp?parentid=3407> (accessed 7/8/2005).

¹⁶ See Chung-in Moon and David I. Steinberg, eds., *Kim Dae-jung Government and Sunshine Policy: Promises and Challenges*, Seoul: Yonsei University Press, 1999, for a discussion of South Korea's engagement policy (or more popularly known as the sunshine policy) initiated by the former President Kim Dae-jung and continued by his successor, President Roh Moo-hyun, to achieve peaceful unification through exchange, cooperation, and peaceful co-existence.

proceeds in accordance with its interests, is to independently engage the DPRK in order to affect a gradual, peaceful, and mutually beneficial reunification. This process from the ROK perspective, in turn, would insure laying the foundation for the creation of a multilateral security organization in Northeast Asia, in which a unified Korean state would be better able to pursue a more independent foreign policy in accordance with its national interests. Therefore, it is the importance of preserving DPRK in order to protect their various domestic and foreign policy interests that have led the three countries to steadfastly support the status-quo approach in opposition to equally persistent US-Japanese support for the transformative approach. In fact, the support of China, Russia, and the ROK for a nuclear-free DPRK is driven by the fear that Pyongyang's nuclear program will lead to a military conflict between Pyongyang and Washington, which, in turn, might lead to the demise of the DPRK regime.¹⁸

While the three countries support a status-quo approach in resolving the DPRK nuclear problem due to their common interest in preserving the North Korean regime, they have competing interests that, depending on the actions of the DPRK, may force them to move closer to the transformative approach favored by the other side. If the prospects of a negotiated settlement grow dimmer due to increasing

¹⁷ The official position of North and South Korea is that unification should be effected by the two countries alone without foreign intervention as embodied in the joint communiqué issued by North and South Korea on July 4, 1972 and the agreement reached by the South Korean president Kim Dae Jung and North Korea's leader Kim Jong Il at the inter-Korean summit held in Pyongyang in June 2000. Chuck Downs, "Discerning North Korea's Intentions," in Nicholas Eberstadt and Richard J. Ellings, eds., *Korea's Future and the Great Powers*, p. 91.

¹⁸ Scobell, "China and North Korea: Comrade-In-Arms at Arms Length," p. 12. The author notes that the Chinese are fearful that "a nuclearized Pyongyang could mean the end of the regime because this development could cause the US to respond militarily and oust the regime."

confrontation between the US and the DPRK, the three countries might have to reconsider their status-quo approach in resolving the nuclear problem. South Korea must weigh the consequences of worsening relations with the US, increased security risk, and long-term instability in the region in the face of growing nuclear threat from the DPRK. Likewise, China and Russia will have to reassess the destabilizing effects of deteriorating relations with the US, a stronger American-Japanese alliance, and a possible nuclear arms race in Northeast Asia on their interests. Therefore, while the three countries continue to support the status-quo approach, they might be forced to move closer to the transformative approach as the disadvantages begin to outweigh the advantages of their status-quo approach in the face of North Korean actions to escalate tension on the Korean Peninsula.

The Transformative Approach of the United States and Japan

In contrast to the status-quo approach favored by China, Russia, and the ROK, the US and Japan have adopted a transformative approach in resolving the DPRK nuclear problem because their security/strategic interests or goals are best served by fundamentally transforming and, if possible, changing the North Korean regime.¹⁹ The US and Japan, while stressing the importance of negotiations in resolving the nuclear problem, have in effect pursued an approach aimed at pressuring Pyongyang to eliminate its nuclear arms program.²⁰ The US has been adamant that it can only make concessions when the DPRK commits itself to a thorough inspections regime to verify that it is free of suspected nuclear weapons. The two

countries, and the US in particular, have also warned that if negotiations do not make substantive progress toward ending the DPRK nuclear program, they will resort to sanctions such as referring North Korea to the UN Security Council or imposing a naval blockade to interdict shipments of nuclear- and missile-related materials carried by vessels in and out of the North. From the perspective of the US and Japan, a negotiated settlement is possible only if the DPRK unequivocally accepts responsibility for the nuclear problem and abandons its nuclear ambitions. Therefore, these two countries have adopted a confrontational approach in order to pressure the regime to end its nuclear program.

The reason why the US and Japan have adopted a transformative approach is because their interests are threatened not only by the DPRK nuclear arms program per se, but also by the hostile nature of the regime itself. Thus, a hard-line approach is needed to effectively eliminate the overall threat posed by North Korea. The US has taken the lead in advocating a forceful approach to resolving the nuclear problem because it believes that a nuclear-armed DPRK poses a short- and long-term threat to its vital regional and global

¹⁹ Mark E. Manyin, "Japan-North Korea Relations: Selected Issues," CRS Report RL32161, Congressional Research Service, November 26, 2003, p. 1. The author states that Japan "has been the strongest supporter of the Bush Administration's policy of pressuring North Korea to abandon its nuclear program," and "has been more willing than China, South Korea, and Russia to employ coercive diplomatic measures against Pyongyang."

²⁰ The US's transformative approach toward resolving the North Korean nuclear problem is encapsulated in the strategy of "hawk engagement" advocated by Victor Cha, professor turned Director for Asian Affairs at the National Security Council, the White House. He argues that North Korean intransigence in resolving the nuclear problem leaves no choice for the US but to isolate and contain North Korea until it abandons its nuclear threat. See Victor D. Cha, "Korea's Place in the Axis," *Foreign Affairs*, May/June 2002 and Victor D. Cha and David C. Kang, "The Debate over North Korea," *Political Science Quarterly*, vol. 119, no. 2 (Summer 2004).

interests. It is concerned that the DPRK might proliferate nuclear weapons by transferring its nuclear technology or materials to third parties hostile to the US, which in turn might threaten US interests elsewhere in the world. A hostile North Korea armed with nuclear weapons also poses a threat to the safety of US troops stationed in Northeast Asia, as well as that of its allies—South Korea and Japan. The US, moreover, is equally apprehensive that a nuclear-armed DPRK will undermine its ability to secure its vital interests in Northeast and East Asia by eroding US deterrence, as well as constrain US actions in response to threatening moves by Pyongyang. Lastly, the US is concerned that the DPRK nuclear threat can set off a nuclear arms race in Northeast Asia that will undermine US interests by destabilizing the US security structure in the region, and, thus, erode long-term US dominance in East Asia.²¹ Therefore, the danger of the DPRK nuclear threat lies in the fact that it has serious regional as well as global security/strategic implications for the US.

Japan is also extremely concerned with the adverse impact of the North Korean threat on its security interests, which largely coincide with those of the US. Just as the Korean Peninsula has loomed large in the geopolitical considerations of China because of its geographic closeness, the same is true of Japan. A hostile regime on the Korean Peninsula would be “strategically well-situated to threaten Japan.”²² In fact, Japan’s geostrategic vulnerability was made painfully evident when the DPRK tested its Taepodong ballistic missile over Japan on

²¹ Kent E. Calder, “US Foreign Policy in Northeast Asia,” in Samuel S. Kim, ed., *The International Relations of Northeast Asia*, Oxford: Rowman and Littlefield Publishers, 2004, p. 227. The author states that the network of highly asymmetric US security alliances with key countries of the Pacific including Japan and South Korea has reinforced American dominance.

August 1998, shocking the country. The Japanese became aware that their country's close proximity to the DPRK made it especially vulnerable to a weapons-of-mass-destruction attack from Pyongyang.²³ Therefore, a hostile North Korea armed with nuclear weapons and medium- and long-range missiles is a direct threat to Japanese security and, moreover, to Japan's ability to respond effectively in a military crisis by constraining its actions. In addition, the DPRK threat has larger security ramifications for Japan. North Korea's nuclear status will have a destabilizing effect on the region by initiating a nuclear arms race and, thus, upsetting the strategic balance of power in Northeast Asia favoring Japan.²⁴ Lastly, if the DPRK regime with its nuclear arsenal becomes a lasting source of instability in the region, Japan—as well as the whole region—will suffer economically as a result. Therefore, Japan's interests dictate a tough stance toward the DPRK in order to eliminate its missile and nuclear programs in an expeditious manner.

Unlike China, Russia, and the ROK whose interests would be irreparably damaged by the collapse of the DPRK regime, the US and Japan would be well served if their transformative approach leads not just to transformation, but instead to the collapse of the regime.

²² Victor Cha, "Defensive Realism and Japan's Approach toward Korean Reunification," p. 12.

²³ Rising perception of North Korean threat since the late 1990s, due to launching of Taepodong Missile over the Japanese islands in 1998, abduction of Japanese citizens, and incursions of North Korean ships into Japanese waters, has led Japan to strengthen its security posture by bolstering US-Japan alliance, expanding its offshore, non-combat security role, and aligning its policies more closely with Washington's especially in dealing with the North Korean threat. See Michael H. Armacost, "Tilting Closer to Washington," in Richard J. Ellings and Aaron L. Friedberg, eds., *Strategic Asia 2003–04: Fragility and Crisis*, Seattle: The National Bureau of Asian Research, 2004, pp. 80-107.

²⁴ Mohan Malik, "Japan Wary of Assertive China," *Jane's Intelligence Review*, December 2000.

This is because for these two countries, the DPRK threat does not emanate only from the nuclear program, but also from the nature of the regime itself. In fact, it is the inherent danger posed by a xenophobic, isolated, and politically rigid North Korean regime that makes Pyongyang's possession of nuclear weapons an untenable proposition for the US and Japan.²⁵ Insofar as the nature of the DPRK regime is the source of continuing enmity and conflict between North Korea on the one hand, and the US and Japan on the other, the only way to decisively end this conflict would be a regime change in the DPRK. Even a negotiated settlement of the nuclear problem through the six-party talks is no guarantee that the DPRK will respect the agreement given its long history of mistrust and hostility toward the US and Japan, as well as the DPRK's ongoing need to legitimate the regime by creating external enemies. Therefore, given the grave implications of the North Korean nuclear threat and the threat emanating from the regime itself, the US and Japan have adopted an approach designed to force the DPRK into compliance with their wishes through coercive measures that could potentially destabilize the regime. If the destabilization of the DPRK regime leads to its collapse, the North Korean threat would be eliminated at its source.

While the US and Japan have compelling reasons for adopting a transformative approach to resolve the DPRK nuclear threat, they are not immune from the need to evaluate the viability of this approach in view of the DPRK's counteractions. If North Korea takes actions to raise the stakes in the conflict in order to counter US and Japan's

²⁵ For a perceptive analysis of how the rigidities built into the North Korean socio-politico-economic system make it extremely difficult to carry out reform, see Kongdan Oh and Ralph C. Hassig, *North Korea: Through the Looking Glass*, Washington, D.C.: Brookings Institution Press, 2000.

pressure, the two allies might have to reconsider whether the possible military conflict on the Korean Peninsula, precipitated by their hard-line approach, is worth the price of taking coercive measures against DPRK. Just as China, Russia, and the ROK might be forced to reconsider their status-quo approach by adopting a tougher stance in light of the growing North Korean threat, the US and Japan might have to reappraise their own approach in favor of taking a more accommodating stance toward the DPRK in order to prevent a worst-case scenario from unfolding on the Korean Peninsula.

Conclusion

Contrary to the expectations raised by the six-party talks that the collective opposition of the ROK, Japan, China, Russia, and the US to a nuclear-armed North Korea would eventually lead to Pyongyang abandoning its nuclear ambitions, the talks have stalemated because the five countries have failed thus far to agree on a common approach in resolving the DPRK nuclear problem. The greatest obstacle in achieving consensus among the five parties has been their differing interests that have led China, Russia, and the ROK on the one hand, and the US and Japan on the other, to pursue conflicting policy goals toward the DPRK. Because China, Russia, and the ROK believe that their interests are best served by preserving the North Korean state, they have supported a problem-solving approach designed to avoid military conflict and possible collapse of the DPRK regime—the status-quo approach. In contrast, because the US and Japan believe their interests are furthered by transforming and, if possible, changing the North Korean regime, they have favored a confrontational

approach aimed at pressuring the DPRK to end its nuclear program and, thereby, possibly destabilizing its regime. In short, the two groups' divergent policy goals toward the DPRK, rooted in their differing interests, have hampered them from reaching a consensus on how best to achieve their goal of a nuclear-free North Korea. As a result, the six-party talks have been reduced in effect to "three-party talks" among North Korea, China-Russia-ROK, and US-Japan.

The failure of the five countries to develop a common approach in resolving the DPRK nuclear threat has three important implications that do not bode well for bringing an end to the nuclear crisis. First, given the fact that the conflicting approaches of China-Russia-ROK and US-Japan are rooted in their differing policy goals toward the DPRK which, in turn, reflect their sharply divergent domestic and foreign policy interests, it will not be easy for them to reconcile their conflicting approaches. Only the future actions of Pyongyang in the unfolding crisis will determine whether one group decides to support the approach of the other group after reassessing their interests in light of those actions. Therefore, until the five countries can agree on a common approach, one cannot expect that there will be substantive progress toward resolving the North Korean nuclear problem.

Second, the lack of agreement over the proper approach in dealing with the DPRK nuclear threat among the five parties has strengthened the negotiating position of Pyongyang by enabling it to play one group—China-Russia-ROK—against the other—US-Japan—and, thus, effectively put it in control of the negotiating process. The DPRK has skillfully taken advantage of the conflicting policy goals and interests of the two groups to persuade China-Russia-ROK that it is in their interest to restrain US-Japan. Pyongyang has been able to argue that the confrontational approach

of US-Japan has forced it to take equally strong measures to counteract what it perceives to be threatening moves made by the two countries. Then, by taking advantage of China-Russia-ROK's fear of an open conflict breaking out over the nuclear issue, it has argued in turn that, in order to prevent dangerous escalation of the problem, China-Russia-ROK should persuade the other group to abandon their hostile policy toward the DPRK and seek accommodation in resolving the nuclear problem with North Korea. In fact, Pyongyang has largely been successful thus far in pushing China and the ROK to urge the US to put a more flexible and concrete proposal on the table for reaching a peaceful, negotiated settlement to the nuclear problem.²⁶ China has gone so far as to ask the US to be more sincere in its efforts to end the crisis, implying that the US was not being totally honest when it claims that it is interested in resolving the problem through negotiations.

Lastly, the DPRK nuclear problem is increasingly turning into a Sino-US problem. Because the conflict between the US and China over Pyongyang's nuclear program is taking place against the backdrop of growing strategic rivalry as the US seeks to counter a rising China, neither side is willing to accommodate the other's position in resolving the North Korean nuclear issue for fear of ceding their respective long-term geostrategic interests in the region. If one side were to submit to the wishes of the other under pressure, moreover, it would make itself susceptible to further encroachments

²⁶ Of the three countries supporting the status-quo approach, Chinese have been especially vocal in blaming the US for the current impasse in resolving the nuclear crisis. They believe the US's refusal to compromise with North Korea is inhibiting the progress of the six-party talks and a resolution of the nuclear problem. Scobell, "China and North Korea: From Comrades-in-Arms to Allies at Arm's Length," p. 25.

by the other and, thus, undermine its relative influence and power in the region. The conflict between China and the US over the DPRK nuclear issue is the clearest sign so far that the two are strategic competitors rather than partners, and foreshadows a growing strategic rivalry and power politics between a rising and a reigning great power with ominous implications for the peace and stability of the region.

As amply manifested in the six-party talks thus far, Pyongyang has skillfully manipulated the conflicting interests and the policy goals of the five parties toward North Korea not only to increase its leverage over its negotiating partners, but also to frustrate their efforts to bring an end to the crisis. As long as the DPRK can exploit these differences to its own advantage, finding a solution to the nuclear problem will be extremely difficult. Although the five countries may yet agree as to which one of the two approaches—the status-quo or the transformative approach—to lend their full support in resolving the DPRK nuclear problem as the crisis continues to unfold, it will require an extraordinary set of circumstances created by the complex dynamic involving mutual calibration of interests, policy goals, and problem-solving approaches among the five parties to achieve that breakthrough.

Chapter 11

Arms Control and Non-Proliferation of Weapons of Mass Destruction

Sergey M. Smirnov*

Introduction

There is no common view in the Asia-Pacific region on how to deal with the issue of arms control. A number of Oceania states regard small arms imports as their top national security problem. However, in South Asia and South East Asia, governments are more concerned with acquiring modern weapons systems than with establishing arms control measures. The majority of ASEAN countries have started large-scale rearmament of their militaries with modern warships, submarines and fighter aircraft. Meanwhile, the newest nuclear powers, India and Pakistan, are rapidly shaping up their nuclear arsenals, conducting field tests and acquiring short- and intermediate-range ballistic missiles.

There has not been any progress in the Asia-Pacific toward institutionalizing the arms control mechanism, as has been done in Europe (e.g., the Conventional Forces and Weapons Limitation Agreement). And, we can hardly expect any sound steps to be taken in foreseeable future. Hence, I believe we should limit our focus to the non-proliferation of weapons of mass destruction

* *Sergey M. Smirnov is Director of the Foreign Information and Communication Center of the Russian Pacific Fleet, Vladivostok and APCSS alumnus.*

(WMDs). In fact, I do not see any discrepancy here, because international law and the de facto existing global security system are directed toward multiple WMD control measures (especially nuclear arms and ballistic missile technology). As a rule, control measures for conventional weapons and forces have a much lower profile in the world, as they are introduced mostly for sub-regional and local armed conflict prevention. With only a handful of positive examples, such as the Ottawa Convention on the Prohibition of Anti-Personnel Mines, we cannot apply sufficient international laws to conventional arms control.

Considering the problem of WMD non-proliferation in the US-Russian context is both easy and difficult. It is easy because both Russia and the US share a common perspective on WMD non-proliferation, jointly participate in international organizations and treaties, and have gained experience in developing, producing, and utilizing WMD arsenals that is superior to any other country. This experience gives Russia and the US an advantage over the rest of the world in understanding how complicated and multi-dimensional the WMD non-proliferation issue can be. But the problem is also difficult because WMD non-proliferation still remains one of the most sensitive issues in bilateral US-Russian relations, with the mutual distrust from the Cold War era still influencing minds. Many Americans continue to identify Russia with the Soviet Union, which leads to widely circulated and popular fiction stories like “lost nuclear warheads,” sales of ballistic missile submarines (SSBNs) to North Korea, and nuclear weapons technology exports to Iran. On the other hand, there are quite a few Russians

who believe in a conspiracy against Russia aimed at its disintegration, turning the country into a source of cheap natural resources and a place for nuclear waste storage. Often, they cannot even ascertain who the conspirators are: Zionists? The CIA? This mutual distrust is especially counter-productive when considering counter-proliferation strategies and tactics.

To ensure a rigorous analytical method, this paper is based strictly on the information published in the Russian media. Of course, news agencies and media of different countries today often use the same sources of information. But what matters is how they evaluate, analyze and present information for their readers and audience.

Two Dimensions of Non-Proliferation

The term *WMD non-proliferation* has two basic dimensions. “Proliferators” can be states (legal entities by international law) or terrorists, as well as radical or criminal non-governmental organizations (NGOs), with entirely different norms of international law applied to the latter. This notion seems to be axiomatic today, but as recently as a decade ago, only a few regarded the second category of proliferators as a serious concern. Accordingly, the threat from NGOs has tended to be underestimated. For example, the Foreign Intelligence Service of Russia published a comprehensive report entitled “New Post–Cold War Threat: WMD Proliferation” that thoroughly scrutinized various aspects of WMD proliferation control and proposed effective methods of detecting the slightest indications of WMD activities. This report can be found on the

Internet¹ and is still topical today, except for one major omission: it does not assess the threat from NGOs attempting to obtain WMDs.

States obtain nuclear weapons openly (such as India and Pakistan), secretly (such as North Korea and possibly Iran), or in a wide, shadowy zone between legality and total secrecy (such as Israel). These latter cases present a dilemma: if you possess a secret nuclear arsenal, its deterring potential is close to zero. If you choose to disclose your nuclear capabilities, the risk of potential aggression will be much lower but your nation will surely become a target of strict international economic and political sanctions that can lead to total isolation. Again, the dilemma is not as simple as it appears to be.

Today, many regard as inadequate and unfair the post-WWII strategic situation in which the nations already possessing nuclear weapons automatically got a permanent UN Security Council membership, along with the status as a world power. Clearly, the time has come for radical UN reforms. Would it be mandatory in the new system that all Security Council members possess nuclear arsenals? Or, would the veto power of permanent Security Council¹ members be abolished?

Why did the sanctions imposed upon India and Pakistan after they conducted full-scale nuclear tests in 1998 evaporate in less than three years? Could this encourage the “nuclear threshold” nations to speed up their nuclear projects? The situation is unclear, the inequality is obvious, and the arguments against reform can hardly supersede those for it.

We should admit that several Asia-Pacific nations have objective reasons to obtain the most dangerous WMD: nuclear

¹ <http://svr.gov.ru/material/2-1.html>.

weapons. In my opinion, North Korea, the Republic of Korea, Japan, Taiwan, and Indonesia are top candidates. My mentioning these particular countries is in not an indication that all five would or have already initiated nuclear weapons development projects; they simply have more urgent reasons to do so than other Asia-Pacific nations. A lot will depend on changes in the political situation in regional hotspots and on behavior of their adversaries.

Let us first look at the situation on the Korean peninsula, which is legitimately regarded as the most dangerous crisis area in the Pacific. A lot here will depend on the success of international efforts to urge North Korean leadership to return to the Nuclear Non-Proliferation Treaty (NPT) limits. Alternatively, Pyongyang fears of an imminent US attack, combined with their desire to exploit this method to gain prestige in the world, may win out. What would Japan do if this happens? North Korean Nodong and Taepodong ballistic missiles are targeted at Japan (in fact, at the US military bases in Japan). Is the US nuclear and anti-ballistic missile (ABM) umbrella sufficient for the defense of Japan? Or, would these developments overcome Japan's post-WWII anti-nuclear mentality, leading it to take the final step in full conformity with UN Security Council permanent membership? And South Korea will certainly re-activate its nuclear program at the very first indication of Japan moving toward nuclearization.

As for Taiwan, we should not reassure ourselves of the pastoral picture of the two Chinas happily going toward national reconciliation via economic cooperation. We should keep in mind the feeling of humiliation among the Taiwanese generated by the unanimous position of the world community depriving the people

of Taiwan of the right to national sovereignty. If China's psychological and military pressure on Taiwan continues to grow, one day Taipei could feel itself so cornered and abandoned as to start a nuclear weapons program. Not being a "legal" state, Taiwan is not limited by NPT, the International Atomic Energy Agency (IAEA) and other international treaties.

Finally, I include Indonesia as a potential proliferator for the following reason. Indonesia is the only Asia-Pacific country in modern history that has lost control over part of its territory (East Timor). With separatist activities in this country continuing to spread, the threat of further national disintegration is clearly present, at least for the Indonesian military, which remains the key player in the country's domestic policy. Again, this is no more than a premise, but powerful enough to suggest the possibility of a drastic increase in Indonesian defense potential to guarantee protection from a potential foreign (even UN) intervention. However, a serious argument against nuclear proliferation in Indonesia is the commonly acknowledged non-nuclear status of ASEAN member nations. This status, together with the Tlatelolco anti-nuclear treaty, constitutes a positive atmosphere for non-proliferation in the Asia-Pacific region. But let us keep in mind that all the above-mentioned treaties were adopted in a period that was very different from the present-day situation, and their value may be questioned now. Consider the 1972 ABM Treaty, which the US unilaterally withdrew from even though the majority of nations regarded it as a cornerstone of global security.

The situation tends to be more transparent when we talk about NGOs proliferators. It is clear why they want access to WMDs: if they succeeded, their influence would grow drastically, their

blackmail tactics would be incomparably more effective, and their sponsors would be more generous. Unlike states, this category of proliferators is not restrained by international law and are free to use any strategy or tactic in pursuit of their goals. While NGOs generally lack the necessary industrial capacities to start a major uranium enrichment or plutonium reprocessing project, many of them have significant financial sources and can simply buy—or steal—fissile materials. A much easier alternative is mass production of chemical and biological agents. There exist thousands of underground chemical labs around the world that currently produce heroin, cocaine, and other illegal drugs, and law enforcement agencies can do very little to stop these activities.

A final point: we should not underestimate the threat from tacit government support of terrorist, radical, and criminal NGOs' attempts to obtain WMDs. In one scenario, a state's law enforcement agency watching the NGO just sits and waits. When the NGO finally succeeds, the state confiscates the WMD and either uses it in accordance with its national preferences or publicly declares a major success in curbing proliferation. Other scenarios exist, as well. For example, a number of orthodox and radical Islamists would pay a willing state anything to acquire an "Islamic nuclear bomb" to put an end to their most hated enemy, Israel. However, cooperation from Iraq appears now to be lost and the only nuclear Islamic state, Pakistan, is steadily moving toward a civil democratic society. (One can hardly overestimate the efforts by President Pervez Musharraf and the Pakistani armed forces to keep their country stable and controllable.) These WMD seekers might then consider assisting Al-Qaeda's global network activities aimed at obtaining WMDs, in

particular, providing financial and organizational aid to Chechen terrorists, who are known to have influence and criminal connections in all Russian territories. In another scenario, Philippine, Thai, or Indonesian cells of Jemaah Islamiyah could obtain WMDs and legalize them via a South-East Asian pan-Islamic state or via the tiny but possibly independent Mindanao Island. I leave it for the readers to continue with possible proliferation scenarios, praying for them to never be realized.

Technical Issues of WMD Proliferation

The majority of world industrial powers can easily overcome all the technical problems involved in producing WMDs.

Nuclear weapons. The physical principles and technological means for basic nuclear explosion devices are quite accessible today, with most of the necessary information circulating freely on the Internet. Current desktop computers have more than enough processing power to provide the necessary mathematical support of this task—indeed, it could have been done even with the now-obsolete Intel 286-powered personal computers. One can readily get access to the technology for manufacturing high-powered explosives, special detonators, and bombshells needed for igniting a nuclear device. The main problem to solve before assembling a working nuclear device is how to acquire weapons-grade fissile material—uranium and plutonium. It is really difficult to build a secret uranium enrichment facility, but not impossible. For example, North Korea has vast numbers of cavities, old mines, and underground facilities located in mountains with a high level of natural radioactive emanation, which

would be able to camouflage enrichment operations from remote satellite sensors. It is also possible to buy uranium ore on the international market without drawing too much attention. Libya recently disclosed that it had in the past bought North Korean uranium ore. For many developing countries, uranium export is or can be an essential source of hard currency.

An alternative way to acquire weapons-grade fissile material is to use reprocessed radioactive elements produced during a nuclear reactor working cycle. One can use either enriched uranium from reactor fuel assemblies or transuranium isotopes that accumulate in the reactor. Especially attractive is the extraction of plutonium from spent fuel elements. Because of this, the reprocessing of spent nuclear fuel is usually conducted exclusively by the country that supplied the reactor and fuel assemblies. The transportation of spent nuclear fuel elements is planned thoroughly, with security measures as strict as for the transportation of nuclear weapons.

The vast majority of operating, under-construction, and decommissioned nuclear reactors are under the IAEA control. There are 442 operating nuclear reactors at power plants, and 27 more are under construction. The Asia-Pacific countries, not counting Russia and the US, have 102 and 16 of them, respectively. One can imagine the scale of work the IAEA has to carry out and the range of its responsibilities. But even under the strict control of IAEA inspectors, proliferators are able to avoid detection by hiding the presence of fissile material behind sensor imperfections (the permissible error in fissile materials measurement is $\pm 2\%$), for example, or during accidents that occasionally happen with nuclear reactors. A number of such cases have taken place in Japan with as much as 200 kg of

plutonium unaccounted for, causing serious concern to its neighbors. In the mass media, I have not seen any reports of weapons-grade fissile material plunder from power plants, scientific labs, or fuel reprocessing facilities, but no one can guarantee that the situation is fully under control, especially bearing in mind the possibility of a mock plunder.

Nuclear weapons themselves, whether deployed, stored, transported for disassembling, or lost as a result of accidents, should be regarded as the third source of weapons-grade fissile material. More than 128,000 nuclear warheads have been produced in the world since 1945. More than 30,000 warheads exist now, with 17,500 deployed and the rest stored in arsenals or awaiting dismantling. Nuclear warheads are definitely very hard targets for proliferators, as they are secured with utmost care. And even if a terrorist could gain access, the warhead cannot be used “as is”: a nuclear weapon is supplied with multi-level security systems that make unauthorized detonation all but impossible (luckily, terrorists and radicals do not have the professional competency of Hollywood heroes who crack and trigger a bomb in minutes). Yet, warheads are still the most attractive targets. Every warhead can be dismantled and its components used for a new, technologically primitive but working nuclear device. Terrorists, radicals, and criminals are undoubtedly looking for any chance to buy or steal “ready” nuclear weapons and would certainly pay impressive sums for them. India and Pakistan, as young nuclear powers lacking experience in creating a comprehensive security system for nuclear arsenals, are more vulnerable to this threat. This is supported by newspaper reports about Pakistani nuclear weapons being provisionally transferred to China

during a civil turmoil. Add to this threat the fact that India and Pakistan have placed nuclear warheads on forwardly deployed, short-range missiles and fighter-bombers, and not in heavily protected intercontinental ballistic missile (ICBM) silos and SSBNs.

This doesn't imply that the "experienced" nuclear powers of Russia and the US can consider their protection systems for nuclear weapons to be invulnerable. No existing system can guarantee 100-percent security for nuclear weapons. History reminds us of several accidents with strategic bombers and submarines resulting in a loss of nuclear weapons. Several of these lost warheads have not been recovered from the ocean bottom. With due preparation and good fortune, NGOs could retrieve one. There are dozens of modern oceanographic research (AGOR) ships and hundreds of submersibles capable of searching and recovering items in deep waters, and this kind of operation is very difficult to distinguish from a scientific expedition. The weak point of the US's approach is overestimating their technologically superb control and protection systems, while the Russian side must deal with insufficient funding and the human error factor. It should be noted that Russia greatly appreciates US assistance in strengthening the comprehensive security at our nuclear facilities.

Chemical and biological weapons (CBWs). In the 1970s and 1980s, this category of weapons was regarded as the "atomic bomb for the poor." Today, CBWs have significantly lost their attractiveness for states due to the following reasons:

- International conventions adopted by the world community that prohibit the production, use, and storage of biological (1972) and chemical (1993) weapons. Even rogue states will

hardly start major CBW projects today because, in contrast to nukes, the negative consequences of possessing CBWs are incomparably higher than any possible positive effects.

- Chemical weapons have relatively low combat effectiveness. All major armed forces are equipped with protection gear, so CBWs are mostly effective not in modern combat, but against non-protected personnel (such as Saddam Hussein's use of nerve gas against the Iranian "human waves" and Kurdish rebels in the mid-1980s) or in WWI-type conflicts, which are highly unlikely today.
- Use of biological weapons can have unpredictable effects, including threats to one's own soldiers and civilian populations.

At the same time, CBWs are ideal for international terrorist networks because they are cheap, technologically non-demanding, and can be used secretly. Let us recall the tremendous psychological effect the Aum Shinrikyo members managed to produce when they attacked several subway stations in Japanese cities in 1993 using a very primitive 30 percent sarin solution in cans. The same applies to the anthrax hysteria in the US in the fall of 2001. In both cases, the psychological effect was immensely higher than the physical harm to people.

There are two main avenues for the proliferation of CBWs in the Asia-Pacific region.

First, through buying or stealing existing CBW stockpiles. For example, it is still unclear what happened to hundreds of tons of Iraqi chemical agents. The fact that the US and international inspectors have not traced them does not mean that sarin, mustard gas, and other

agents had evaporated. One must possess specialized and very costly technological equipment to reprocess chemical agents without any environmental damage; the process itself takes years or even decades, as both the US and Russia know well. Nobody can guarantee that at least part of the Iraqi chemical stockpile has not been acquired by bin Laden's lieutenants.

Second, the CBW threat will continue to grow with scientific progress, and globalization will push this process forward. Rapid progress in biotechnology and in decoding the human genome could potentially be extremely dangerous. Genetic modification permits the creation of deadly viruses based on historical diseases like smallpox, but with entirely new qualities. It is theoretically possible to create virus species that selectively kill people with specific genes, while being totally harmless to others (so-called genetic bio-weapons). And it is difficult to impose control on biotechnological research projects; it is even more difficult to determine who might be sponsoring potentially dangerous research. Engineers, researchers, and experts in biotechnology have broad employment options today; the same is true for experts in organic chemistry. Hundreds of universities and scientific centers have educational programs in this field. Accordingly, the probability of people with perverted minds, religious fanatics, or political radicals becoming trained professionals in this field is constantly growing. Indeed, we know that college students and scholars make up the highest percentage of professionals among terrorist cells and extremist groups.

Radiological weapons. Many experts consider radiological weapons the present-day atomic bomb for the poor. You do not need to possess high technology to assemble such a “dirty” bomb; all you

need is to obtain radioactive materials, which can come from various sources, including power or scientific nuclear reactors, nuclear waste (liquid and solid), and industrial or medical equipment using isotopes. In today's world, the volumes of materials potentially suitable for radiological weapons are very high. It is much easier to get access to them than to weapons-grade uranium or plutonium. There have been reports that Albanians in Kosovo and Iraqi criminals had been buying depleted uranium cores of armor-piercing artillery shells fired by the US Army and Air Force during recent local conflicts.

I doubt that radiological weapons would ever be deployed anywhere by regular armed forces. A state would certainly prefer to attack an adversary's nuclear facilities, research centers, and chemical plants with conventional weapons—the combat effectiveness would be the same with almost no negative political consequences for the user.

However, as with CBWs, radiological weapons are very attractive to international terrorists, criminal syndicates, and totalitarian sects. It gives them wide options for staging an attack. For example, liquid nuclear waste can be poured out from one of hundreds of small fishing ships and, within weeks, thousands of Japanese, Korean, or Thai citizens will develop symptoms from radiation sickness. Or, a primitive exploding device can be attached to a canister containing an isotope mix, set with a time trigger, and concealed in one of the millions of shipping containers traveling across the world. And one could do a lot more, especially if one's moral principles permit the killing of innocent people.

Ballistic missile technologies. In examining WMD non-proliferation, it is mandatory to consider the problem of ballistic

missile technologies control. Without the means to deliver nuclear warheads to their targets deep inside an adversary's territory, nukes are nothing more than a paper tiger. The best delivery systems for nuclear weapons today, in terms of cost, effectiveness, and combat reliability criteria, are ballistic missiles. In most cases, a high-technology industry is not required; something like Wernher von Braun's V-2-class ballistic missile tipped with a Hiroshima-class nuclear warhead is good enough to blackmail neighbors. Both of these systems were developed and combat tested 60-odd years ago, long before the era of microcomputer-controlled machine tools and personal computers. Today, several Asia-Pacific countries (North Korea, Japan, Iran, India, and Pakistan) possess the technology to produce 1000-km-range ballistic missiles.

Ballistic missile technologies proliferation, however, importantly differs from WMD proliferation problems. Outside experts can estimate at the early stages of missile development what the real goal of a project is. If the new missile is tasked to have a long or intermediate range without accentuating its accuracy, then its most likely mission would be to deliver a nuclear warhead. But being sure of the WMD connection of a missile project is not enough to impose sanctions against the proliferator, since most of them typically declare peaceful space exploration as the sole mission for the missile project. North Korea did exactly that in 1997 when they launched the Taepodong ballistic missile, arguing that it successfully delivered to space the first North Korean satellite (strangely, nobody could spot this mysterious satellite). International law does not clearly regulate missile technology exports based on bilateral agreements, except for cases when international sanctions have already been imposed on

the buyer or seller. Given the above-mentioned factors, ballistic missile technologies are proliferating and a number of Asia-Pacific nations are intensifying their cooperation in this field with little publicity. Now, the experts can even estimate how many North Korean “roots” there are in Iranian and Pakistani missiles, and vice versa.

Perhaps the only positive aspect of missile proliferation is that you can easily identify the proliferators: they are exclusively states. International terrorists and criminals would hardly attempt to acquire missile technologies, as it calls for entirely different tactics .

Conclusion

The issue of WMD proliferation in the world is contradictory. On the one hand, the majority of nations are concerned about this problem and understand that the threat is gradually shifting to the NGO sector. The leaders of APEC nations devoted much of their attention during their latest meetings to counter-proliferation issues. New systems of international control have emerged, such as the WMD Non-Proliferation Security Initiative (which Russia joined on May 31, 2004), the Hague Code of Conduct against Ballistic Missile Proliferation, and UN Security Council Resolution 1540 urging all the UN members to establish effective mechanisms for export control.

On the other hand, we have not made a genuine breakthrough in counter-proliferation activities. International inspections proved to be ineffective in locating traces of the Iraqi WMD program. Semi-legal missile technology exports from North Korea and China have not stopped. Details of the past nuclear projects of South Korea, Japan, and Taiwan continue to emerge, claiming that these projects had been

much more ambitious than previously suspected. The failure of the Korean Peninsula Energy Development Organization (KEDO) project in North Korea, caused by a lack of coordination and possibly by the unwillingness to achieve the declared goals among the project participants, provoked Pyongyang (or gave North Korea the grounds) to abandon the Nuclear Non-Proliferation Treaty (NPT) limitations. There have been no reports of successful operations of law enforcement agencies against NGOs plotting to obtain WMDs.

All this, combined with the above-mentioned intensification of proliferation threat, is a source of concern. The second part of this decade will be crucial in determining whether the sensible forces of the world can really consolidate their efforts against WMD proliferation.

Chapter 12

Arms Proliferation and Buildup in the Asia-Pacific: Advanced Conventional Weapons

Richard A. Bitzinger*

The Asia-Pacific region has long been a major market for advanced conventional arms. Since the beginning of the 21st century, in fact, the region has become the largest buyer of weaponry and military equipment. During the period 2000-03, the Asia-Pacific countries (not including Australia and Japan) purchased US\$33.8 billion worth of arms, accounting for 51 percent of all such agreements and overtaking the Middle East—traditionally the world’s largest arms market—for the first time. During the same period, the Asia-Pacific took delivery of US\$35.4 billion worth of arms.¹

Some of the world’s biggest arms buyers are found in the Asia-Pacific. Five of the developing world’s ten largest arms importers—Taiwan, China, South Korea, India, and Pakistan—are found in this region. Taiwan, for example, took delivery of US\$19.4 billion worth of foreign weapons systems during the period 1996–2003, and it was second only to Saudi Arabia in overall arms imports. During this same timeframe, China imported US\$10.2 billion worth of arms; South Korea, US\$8.3 billion; India, US\$6 billion; and Pakistan, US\$4.3 billion.²

* *Richard A. Bitzinger submitted this chapter while he was an associate professor at the Asia-Pacific Center for Security Studies, Honolulu.*

¹ Richard F. Grimmett, *Conventional Arms Transfers to Developing Nations, 1996–2003*, Washington, DC: US Congressional Research Service, August 26, 2004, pp. 11, 37.

² Grimmett, *Conventional Arms Transfers to Developing Nations, 1996–2003*, p. 62.

There are few signs that regional appetites for advanced armaments will abate anytime soon. Beijing, for example, has since 1999 signed new arms import agreements in excess of US\$12 billion; in 2002 alone, it purchased US\$3.6 billion worth of foreign weapon systems. At the same time, Chinese military expenditures have more than trebled in real terms since the mid-1990s; China's official 2005 defense budget is 248 billion yuan, or US\$30 billion—a 12.6 percent increase over the previous year and thus continuing a decade-long trend of double-digit real increases in Chinese military spending.³ For its part, Taiwan intends to spend more than US\$15 billion over the next 15 years on new military equipment, including eight diesel-electric submarines, P-3C antisubmarine warfare aircraft, and PAC-3 anti-ballistic missiles. Much of the funding for these programs will come out of a special appropriations budget separate from the annual budget for Taiwan's military. India recently increased its military budget by 7.8 percent to US\$19 billion, while South Korea plans to invest more than US\$28 billion in modernizing its armed forces between 2004 and 2008; as an initial down payment, Seoul increased its procurement budget by ten percent in 2004, and by another 16 percent in 2005.⁴

Given the size and strength of the Asia-Pacific arms market, it is not surprising that this region has become a critical market—and therefore the object of particularly fierce competition—for the world's leading arms suppliers, particularly the US, Western Europe, Russia,

³ Australian Department of Defence, *Defence Economic Trends in the Asia-Pacific 2003*, <http://www.defence.gov.au/dio/det2003.pdf>.

⁴ Agence France-Presse, *India Announces Almost \$780M in Defense Spending*, March 29, 2005. Robert Karniol and John Y. Chung, "Country Briefing: South Korea—Seoul Purpose," *Jane's Defense Weekly*, July 28, 2004 (Internet version).

and Israel. Nearly all the leading arms-producing countries have come to rely heavily on arms exports to the region. As such, the Asia-Pacific simply becomes one more area of economic rivalry for these supplier states. It is legitimate to ask what might be lost in the contest. If economic drivers increasingly crowd out strategic rationales, it is regional peace and stability that may suffer.

The Growing Economic Imperative to Export Arms

Nations have many reasons for exporting arms. Great powers and aspiring great powers—such as the US or the Soviet Union, or, more recently, China—often used overseas arms sales as a means of promoting military-strategic objectives, i.e., strengthening alliance relationships, bolstering allies, and promoting interoperability. Arms exports can also be an important method for demonstrating geopolitical patronage and influence—signifying a patron-client state relationship—or as a form of geostrategic signaling—for example, as an indicator of a security guarantee, as in the case of US arms sales to Taiwan, cautioning China that Washington is committed to Taiwanese freedom and self-determination.

In recent years, however, economic considerations have increasingly dominated the drive to export arms. The fiscal pressures to export arms have been increasingly felt among the leading arms-producing states in the West and Russia as military expenditures have declined since the end of the Cold War, subsequently drying up national markets for local arms industries and their products. Between 1990 and 2003, for example, British defense spending fell nearly one-quarter, while Germany's defense budget shrank by 27 percent.

French and Italian military expenditures declined by eight and ten percent, respectively, over the same time period.⁵ Russian defense spending fell even more precipitously during the 1990s—from US\$79 billion in 1990 to a low of US\$7.1 billion in 1998, before rebounding slightly to US\$13 billion in 2003.⁶

Arms exports in general have become increasingly crucial to the world's leading arms producers, therefore. European defense firms are highly dependent upon foreign markets. BAE Systems, for example, typically does 70 to 75 percent of its business outside the United Kingdom, as does Thales of France. Eurocopter, a subsidiary of the European Aeronautic Defense and Space Company (EADS), exports more than two-thirds of its output. Israeli arms producers overall export around 80 percent of their output, around US\$3 billion worth in 2004.⁷ The Russian defense industry also has a “substantial dependence” on export business. According to one Western analyst, “in 1999 [Russian] military exports represented 34 percent of its total output...whereas military production for domestic procurement was only 20 percent.”⁸

US defense firms, with their huge domestic arms market, have traditionally been under much less pressure than their European and Russian counterparts to export arms. Despite recent increases in defense spending, however, the Pentagon's procurement budget is

⁵ Data derived from NATO website, <http://www.nato.int/docu/pr/2003/table1.pdf>.

⁶ Data derived from SIPRI website, http://first.sipri.org/non_first/result_milex.php.

⁷ Zvi Lavi: “Defense Ministry: Israeli Defense Exports 10-12% of Global Total,” *Rishon Leziyyon Globes* (Internet version, in English), July 6, 2004, reprinted by the *Foreign Broadcast Information Service* (FBIS), July 6, 2004, Document # GMP20040706000209.

⁸ Julian Cooper, “Russian Military Expenditure and Arms Production,” in *SIPRI Yearbook 2001*, Oxford: Oxford University Press, 2001, p. 317.

still less than what it was during the height of the Reagan buildup—\$78 billion in fiscal year (FY) 2005, versus US\$117 billion in FY1987 and US\$105 billion in FY1990 (all expressed in constant FY2005 dollars)—pressuring arms producers to go abroad in search of new markets to compensate for shrinking ones at home.⁹ Overseas sales have become particularly critical when it comes to certain weapons systems, such as the M-1 tank and the F-16 and F-15 fighters, which are now exclusively produced for foreign markets.

As these economic requirements have become paramount, supplier restraint has been replaced by a readiness on the part of the major arms producers to sell to the Asia-Pacific just about every type of conventional weapon system available. In addition, Europe and Russia have often used technology transfers and offsets as inducements to make an arms sale, even though these activities can pose considerable proliferation concerns. Germany, for example, has transferred submarine production technology to South Korea, while Russia has licensed the production of its Su-27 fighter jet to China. US arms producers have also become much more aggressive in pursuing exports, and the US government has been increasingly willing to lobby hard for arms sales in support of its defense industry. In particular, Washington has become much more permissive when it comes to the overseas release of some of the country's most advanced military systems. This policy have even been applied to state-of-the-art US weapons systems that are still in development, such as the Joint Strike Fighter (JSF)

⁹ Data derived from the US Department of Defense, *National Defense Budget Estimates for FY2005* http://www.dod.mil/comptroller/defbudget/fy2005/fy2005_greenbook.pdf.

project, for which co-development partnerships have been offered to Singapore and Australia, to name but a few partnering countries.¹⁰

Nearly all the leading arms-producing countries have come to depend heavily on sales to the Asia-Pacific. The Asia-Pacific region is a particularly crucial market for the Russian arms industry. During the period 2000-2003, the region accounted for 82 percent of all Russian sales—and 85 percent of its deliveries—to the developing world.¹¹ Russia was also the largest arms seller, in terms of agreements, to the Asia-Pacific during the period 2000-03, with US\$16.5 billion worth of arms sales and capturing 49 percent of the market. Deliveries of Russian arms to the Asia-Pacific have more than doubled in recent years, from US\$5.4 billion in the 1996–99 timeframe, to US\$11.6 billion in 2000-03.¹² The Asia-Pacific region has, in fact, become the single largest market for Russian arms, even larger than Russia itself.¹³

China and India are Russia's principal arms customers—not just in the Asia-Pacific but globally as well. Over the past decade, Russia has sold Su-27 and Su-30 fighters, Sovremenny-class destroyers, Kilo-class submarines, and S-300 surface-to-air missile (SAM) systems to China, and Su-30 fighters and even an aircraft carrier to India. Moscow has also made major inroads in selling to Southeast Asia, and in 2003 it closed deals with Malaysia for Su-30MK fighters and Mi-171 helicopters; with Indonesia for Su-27 and

¹⁰ Other JSF partners include Canada, Denmark, Italy, the Netherlands, Norway, the United Kingdom, and Turkey.

¹¹ Grimmett, *Conventional Arms Transfers to Developing Nations, 1996–2003*, pp. 46, 57.

¹² Grimmett, *Conventional Arms Transfers to Developing Nations, 1996–2003*, p. 56.

¹³ Cooper, “Russian Military Expenditure and Arms Production,” p. 317.

Su-30 fighters and Mi-35 attack helicopters; and with Vietnam for Su-30 fighters, S-300 SAMs, and Molniya-class missile attack boats.¹⁴

The leading West European arms producers the United Kingdom, France, Germany, and Italy together sold US\$4.4 billion to the Asia-Pacific during the 2000-2003 timeframe, capturing 13 percent of the regional market. Sales to the region accounted for fully 50 percent of the United Kingdom's, 81 percent of France's, and 91 percent of Germany's total arms agreements with the developing world. Combined deliveries for these four countries during this period totaled US\$2.8 billion. Other European countries also depended greatly upon the Asia-Pacific arms market (41 percent of arms agreements, and 25 percent of arms exports).¹⁵ Examples of recent European arms sales to the Asia-Pacific include British Hawk trainer jets to India, German Type-214 submarines to South Korea, and French Lafayette-class frigates to Singapore

Israel has become particularly active in transferring arms to the Asia-Pacific. Israel has become India's second-largest arms supplier, after Russia, and in recent years, it has exported more than US\$1 billion worth of arms to New Delhi, including the Green Pine ballistic missile early warning radar, Barak ship-launched air-defense missiles, and unmanned aerial vehicles (UAVs). In 2004, Tel Aviv closed a deal to sell three Phalcon airborne early warning aircraft to India for US\$1.1 billion. Other Israeli arms deals in the region include Barak and Python air-to-air missiles to Singapore, Popeye air-to-

¹⁴ Grimmert, *Conventional Arms Transfers to Developing Nations, 1996–2003*, p. 8.

¹⁵ Grimmert, *Conventional Arms Transfers to Developing Nations, 1996–2003*, pp. 46, 57.

ground missiles and Harpy anti-radar drones to South Korea, Kfir fighter jets to Sri Lanka, and UAVs to the Philippines.

Even the US has come to regard this region as a “must-have” market, and 47 percent of its arms exports went to the Asia-Pacific during the 2000-03 timeframe.¹⁶ In terms of deliveries, the US was the leading defense exporter to the Asia-Pacific region during 2000-03, transferring some US\$16.36 billion worth of arms. Only the Middle East was a larger arms market for the US, and just barely at that. Moreover, while US arms exports to the Middle East have fallen in recent years—from US\$27.3 billion during the 1996–99 timeframe to US\$16.4 billion in 2000-03—deliveries to the Asia-Pacific have actually risen, from US\$13.9 billion during 1996–99 to US\$16.36 billion in 2000–03.¹⁷ The US has particularly dominated in the marketing of advanced fighter aircraft to the region, selling F-16s to Indonesia, South Korea, Singapore, and Taiwan, F/A-18s to Malaysia, and F-15s to South Korea. Washington recently approved the sale of new F-16s to Pakistan and has offered both the F-16 and F/A-18 to India.

Conventional Arms Proliferation to the Asia-Pacific: Two Key Issues

As economic motivations—that is, the preservation of vital industrial sectors, protecting jobs, etc.—increasingly edge out political-military considerations when it comes to international arms transfers, there are legitimate concerns that the drive to export may take on a

¹⁶ Grimmett, *Conventional Arms Transfers to Developing Nations, 1996–2003*, pp. 46, 57.

¹⁷ Grimmett, *Conventional Arms Transfers to Developing Nations, 1996–2003*, p. 56.

life of its own. An “everything-must-go,” “crazy-Eddy” approach to overseas arms sales can often lead to extreme marketing techniques, such as cutthroat pricing, excessive offsets, and substantial technology transfers packages. For example, when Seoul recently selected the Boeing F-15K as its new fighter aircraft, it came with a sizable offset arrangement (equal to more 80 percent of the cost of the program) and a promise by Boeing of 29 technology-transfer ventures to help South Korea develop its own fighter by 2015.¹⁸ The fear, of course, is that short-term economic gains will take precedent over longer-term strategic considerations of regional security and stability, or that such sales could drive a wedge between friends and allies, further disturbing the regional security calculus. These concerns can be seen in at least two cases of advanced conventional arms transfers to the Asia-Pacific region.

Arms Sales to China

The continuing Chinese arms buildup is a major concern to the US. The potential impact of growing Chinese military power has considerable implications for US security interests in the region. China’s readiness to confront the US politically, economically, and militarily in Asia—especially over Taiwan, but also in the East and South China Seas, and elsewhere in the region—could rise as its military strength increases. A stronger and more assertive China would greatly complicate the US security calculus in the region.

¹⁸ Robert Karniol, “South Korean Industry: Learning Curve,” *Jane’s Defense Weekly* (Internet version), October 22, 2003; David Mulholland, “Industry Round-Up—Boeing Extends \$2.8 Billion Offset to Korea for F-15K,” *Jane’s Defense Weekly* (Internet version), October 24, 2001.

There is general agreement among the US China-watching community that Beijing has been engaged since the early 1990s in a determined effort to modernize its armed forces, the People's Liberation Army (PLA), in order to fight and win "limited wars under high-tech conditions." This doctrine revolves around short-duration, high-intensity conflicts characterized by mobility, speed, and long-range attack, employing joint operations fought simultaneously throughout the entire air, land, sea, space, and electromagnetic battlespace, and relying heavily upon extremely lethal high-technology weapons.¹⁹

Much of this critical hardware for limited, high-tech war is imported, mostly from Russia. Russia currently supplies more than 80 percent of Beijing's foreign-sourced arms. Between 1995 and 2002, China imported some US\$9 billion worth of arms from Russia. China is buying up to 12 Kilo-class submarines and four Sovremenny-class destroyers from Russia; the Kilos are armed with the 3M-54E Novator Alpha antiship cruise missile (ASCM) and the 53-65KE wake-homing torpedo, while the Sovremenny is equipped with the SS-N-22 Sunburn supersonic ASCM. In addition, by the end of the decade, the PLA could deploy over 300 Su-27 and Su-30 fighters, equipped with standoff AA-12 air-to-air missiles and a variety of Russian-supplied surface-to-air precision-guided munitions. Just as important, Moscow is an important source of

¹⁹ *Annual Report on the Military Power of the People's Republic of China*, pp. 18–21; Garret Albert, et al., "China's Preliminary Assessment of Operation Iraqi Freedom," *Chinese Military Update*, July 2003, pp. 1–4; "Defense Official Says China Transforming Its Military Establishment," testimony by Richard P. Lawless, deputy under secretary of defense for international security affairs (Asia-Pacific region), April 22, 2004 (downloaded from US Department of State website: <http://usinfo.state.gov>).

foreign technological-industrial assistance to China's defense industry. China last year launched a new Type 094 nuclear-powered ballistic-missile-carrying submarine and is currently constructing a new class of nuclear-powered attack submarines (the Type 093), both of which are based heavily on Russian technology.

Russian arms sales to China are an ongoing source of friction between Washington and Moscow; even some Russians have expressed concerns over supplying China with too much military technology. However, so long as the Russian defense industry depends so heavily on arms exports to China, this issue will continue to vex the US-Russian relationship regarding mutual security interests in the Asia-Pacific.

Compounding this issue is the increasing likelihood that the EU may soon lift its 16-year-old embargo on arms exports to China. Western Europe has largely ceded the Chinese arms market to Russia and other countries not participating in the ban—in this sense, therefore, the EU arms embargo is a classic “prisoner’s dilemma.” And the European defense industry clearly suffers much more from the embargo than do US arms producers. The European defense industry is nearly as dependent on arms exports as is Russia’s, while the US defense industry has the benefit of a domestic defense market four times larger than all of Europe combined, as well as regularly capturing around half of the international trade in arms.

To Europe’s arms manufacturers and their governments, China is just another market; moreover, with Europe’s strategic withdrawal from East Asia (for example, Britain’s 1997 handover of Hong Kong to Beijing), security issues involving the region do not affect the EU as much as they do the US. Lifting the embargo could come at the

price of further damaging a transatlantic alliance already strained over Iraq and other issues—the US Congress has already threatened retaliation if the EU overturns its ban, such as restricting military exports and technology-sharing with European countries that sell arms to China, as well as barring the Defense Department from doing business with any European company that engages in defense business with China. At the same time, Washington has not been able to adequately convey to the Europeans that China constitutes an actual or potential threat to Europe, and that they should therefore restrict sales to military items.

Proliferating New Capabilities to the Asia-Pacific

As a result of recent arms imports many countries in the Asia-Pacific have over the past decade greatly expanded their warfighting capacities beyond the mere modernization of their armed forces. In fact, militaries in the region have over the past decade added capabilities that they did not possess earlier, such as new capacities for force projection and stand-off attack, low-observability (stealth), and greatly improved command, control, communications, computing, intelligence, surveillance, and reconnaissance (C4ISR) networks. Consequently, many Asia-Pacific militaries now deploy or will soon acquire several new weapons platforms, advanced armaments, or sophisticated military systems. For example:

- China, India, South Korea, Malaysia, Singapore, and Taiwan have either expanded or else are in the process of expanding their blue-water navies with modern foreign-built or foreign-designed destroyers, frigates, missile patrol boats, and diesel-

electric submarines. Many of these warships incorporate stealthy designs and are equipped with state-of-the-art ASCMs, air-defense systems, and torpedoes.

- Thailand has acquired a small aircraft carrier from Spain, and India has recently concluded an agreement to purchase a used, refurbished, and re-equipped carrier from Russia.
- China, India, South Korea, Malaysia, and Singapore have all received or else will soon acquire tanker aircraft for air-to-air refueling.
- Nearly every Asia-Pacific country currently possesses at least some “fourth-generation” fighter aircraft, such as the Russian Su-27, Su-30, or MiG-29, the US F-16 or F/A-18, and the French Mirage-2000. Just as important, most of these aircraft are equipped with advanced active radar-guided air-to-air missiles, such as the US AMRAAM or the Russian AA-12.
- China, Singapore, and Taiwan have recently acquired airborne early warning (AEW) aircraft, while India and Korea intend to buy AEW aircraft in the near future.
- India and Taiwan have plans to acquire missile defenses, either in cooperation with other countries or through the purchase of off-the-shelf systems.

The acquisition of these new military capabilities has two repercussions for militaries in the Asia-Pacific. At the very least, these new types of armaments promise to significantly upgrade and modernize the manner of warfighting in the region. Certainly, Asia-Pacific militaries are acquiring greater lethality and accuracy at greater ranges, improved battlefield knowledge and command and control, and increased operational maneuver and speed. Standoff precision-

guided weapons, such as cruise and ballistic missiles and terminal-homing guided munitions, have greatly increased combat firepower and effectiveness. The addition of modern submarines and surface combatants, amphibious assault ships, air-refueled combat aircraft, and transport aircraft have extended these militaries' theoretical range of action. Advanced reconnaissance and surveillance platforms have considerably expanded their capacities to "look out" over the horizon and in all three dimensions. Additionally, through the increased use of stealth and active defenses (such as missile defense and longer-range air-to-air missiles), local militaries are significantly adding to their survivability and operational capabilities. Consequently, conflict in the region, should it occur, would likely be more "high-tech:" faster, more long-distance and yet more precise, and perhaps more devastating in its effect.

More important, many Asia-Pacific militaries are acquiring the types of military equipment that, taken together, could fundamentally change the concept and conduct of warfare. In particular, those systems related to precision-strike, stealth, and above all C4ISR comprise some of the key hardware ingredients essential to implementing a revolution in military affairs. Sensors, computers, communications systems, automated command and control, electronic warfare systems, advanced navigation and targeting aids, and "smart" weapons can be bundled together in innovative new ways that could greatly synergize their individual effectiveness and create new "core competencies" in warfighting. These emerging capabilities, in turn, have the potential to significantly affect strategy and operations on tomorrow's battlefield and hence to alter the determinants of critical capabilities in modern warfare. At the very least, therefore, the

countries of the Asia-Pacific region increasingly possess the kernel of what is required to transform their militaries.

Conclusions

The impact of recent Asia-Pacific arms imports on regional security is still uncertain. Countries, of course, have the right to legitimate self-defense, and therefore the right to maintain armed forces with sufficient capabilities to meet their perceived requirements; in this regard, many arms imports can be viewed as “security-building.” On the other hand, the introduction of new types of arms and, therefore, unprecedented military capabilities into a region can have many unintended consequences. They can, for example, create or exacerbate arms races that, in turn, could seriously disturb or even destabilize regional or bilateral military balances (such as China-Taiwan, or India-Pakistan), leading to more insecurity and instability in the region. In particular, the spread of the most advanced conventional weapons could have an adverse effect on regional security environments where tensions are already high, such as the Taiwan Strait. Beijing’s growing arsenal of Russian-supplied warships, submarines, fighter aircraft, and precision-guided munitions has certainly increased Taiwan threat perceptions of China, and it has fueled Taipei’s counter-acquisition of new air and missile defenses, anti-submarine and anti-surface warfare systems, and counter-landing weapons. Yet, as these militaries become more capable, the situation across the Taiwan Strait has not necessarily become less tense—just the opposite, in fact, as armed forces on both sides increasingly test each other’s strengths and weaknesses

in the strait. Such concerns are only multiplied when one considers the types of military systems being acquired—transformational weapons that promise to fundamentally change the conduct of warfare and which could greatly increase its destructiveness.

Secondly, without necessarily leading to arms *races*, these new arms acquisitions can lead to very expensive, and ultimately imprudent, arms competitions. For example, South Korea’s efforts to acquire a blue-water navy (complete with a large fleet of ocean-going submarines), intended to rival Japan’s and China’s maritime forces, could have the effect of drawing resources away from defending against an attack from North Korea. Additionally, when it comes to the poorer countries in the Asia-Pacific, one might question the wisdom of such arms purchases from an economic aspect, particularly if these acquisitions divert considerable funds away from more pressing social needs.

It is also legitimate to question whether some of these countries actually “need” such increasingly sophisticated armaments. This is particularly apropos when it comes to Southeast Asia: Does Thailand have a “legitimate” military requirement for an aircraft carrier, especially one that was so expensive to acquire and to operate and is of such little strategic value? Should Western countries sell certain types of armaments—such as modern submarines or AMRAAM-type air-to-air missiles—to countries in the Southeast Asia when the release of such weapons systems could have far-reaching implications for regional security dynamics?

At the same time, the acquisition of more advanced weapons by US allies and friendly countries could further regional security, both by strengthening bilateral military alliances and aiding

interoperability and burden-sharing with US forces in the region. For example, our closest allies in the region (Australia, Japan, and South Korea) have over the past decade imported more than US\$50 billion worth of arms in order to modernize their armed forces. This enhanced interoperability could be especially crucial as the US continues to transform its armed forces along the lines of the information technologies-based revolution in military affairs, as it would permit Asia-Pacific allies to tie into US concepts of net-centric warfare. For example, Japan and South Korea are both acquiring the Aegis naval sensor and combat system, which could enable to their ships to link up with US naval forces in cooperative engagements against opposing forces, or, as in the case of Japan, permit these nations to work with the US in developing and deploying ship-based missile defenses.

The Asia-Pacific will continue to be an important arms market and an increasingly avid consumer of advanced weapon systems. As already noted, many of these recent arms imports go beyond mere modernization, and are greatly expanding the capabilities of local armed forces when it comes to force projection, precision-strike, and battlespace knowledge and command and control. These developments, in turn, are injecting new uncertainties into the regional security calculus. At the very least, therefore, the interested parties concerned with peace and stability in the Asia-Pacific should continue to carefully monitor how much these new types of armaments might complicate future mutual security assessments and military planning in the region.

Chapter 13

Regionalism in Northeast Asia and Prospects for Russia–US Cooperation

Artyom Lukin*

Introduction

Northeast Asia (NEA), which includes the Russian Far East, is undoubtedly Russia's priority in multilateral cooperation in the greater Asia-Pacific. Russia has vital interests in this area with material leverage in the strategic equation there. The creation of a regional community in NEA, however, looks extremely unlikely in the foreseeable future. There are several powerful systemic factors at work in the region inhibiting the formation of an institutionalized community that could even remotely approach the level of political integration found in EU or even in ASEAN. Among the obstacles is the structure of the region itself, consisting almost entirely of great powers with increasing nationalist sentiments in China, Japan, and both Koreas.

At the same time, most Northeast Asian countries pursue highly pragmatic policies in the sphere of economic interactions, which makes it possible for major multilateral projects to be implemented here, above all in fields such as energy and transportation. Russia is well positioned to play a key role in such

* *Artyom Lukin is an assistant professor in international relations at the Far Eastern National University, Vladivostok.*

projects. This gives it a chance to raise its profile in the region and boost the development of its Far Eastern territories, which is one of the main goals of Russia's participation in regional multilateral cooperation. Energy and transportation projects *per se*, however, cannot guarantee a viable multilateral cooperation system in NEA. Indeed, under certain conditions, they may even lead to fierce rivalry.

Moreover, the Far East, although remaining a vital Russian interest, is not currently the chief concern for the federal government in Moscow, which is preoccupied by developments in the western and southern parts of the country, such as the North Caucasus. At the same time, the Russian Far Eastern territories have thus far proven incapable of cohesive and effective actions to integrate themselves into the Asia-Pacific region. Today they are competitors rather than partners.

While Russian and American interests clash in Eastern Europe, the Caucasus and, to some extent, Central Asia, to a large degree they coincide in Northeast Asia. The US does not appear to see Russia as a rival in NEA and, in fact, might be interested in strengthening Russian positions in the region, for a number of reasons.

Systemic Factors of Multilateral Cooperation in Northeast Asia

Before analyzing the different aspects of multilateral cooperation in Northeast Asia, it makes sense to specify which states constitute this geopolitical region. The author of this paper believes that NEA includes China, Japan, and the Koreas (both North and South), as

well as Russia and the US.¹ It should be noted that China, Japan, and Korea are often viewed as the core states of the region.

Both Russia and the US, influential as they are in NEA, are still somewhat peripheral to the region, albeit for different reasons. Russia is present in NEA geopolitically, thanks to its Far Eastern territories and remaining military-strategic capabilities, but Russia's most vital political and economic interests are concentrated in the western part of the country where most of its population lives. By contrast, the US does not belong to NEA geographically, being only adjacent to it. Nevertheless the US can be regarded as a part of the regional system due to America's substantial military, strategic, and economic involvement in the region.

The prospects for creating institutions of intergovernmental multilateral cooperation in NEA have been discussed actively since the late 1980s. The proponents of multilateralism point out the mutual interests of NEA states in peace and stability, their complementary economies, and their huge economic potential, which could be effectively exploited if integration projects were successfully implemented. However, despite numerous attempts to launch region building in NEA, multilateral cooperation there still remains at the incipient stage, not having reached the level of intergovernmental agreements either in economic integration or in the field of strategic security.

¹ Sometimes Mongolia is also included in NEA. However, due to its peripheral position and minuscule political and economic weight, this country is still not capable of exercising any appreciable influence on international politics in NEA, at least in traditional balance-of-power terms.

A typical list of the main obstacles to the development of multilateral cooperation in NEA usually includes the following factors: 1) historical resentments and war-related traumas complicating relations between NEA countries (above all between China and Japan, Korea and Japan, Russia and Japan, and Russia and China); 2) considerable differences in the economic development levels of NEA countries; 3) the incompatibility of their political systems; 4) several periodically escalating territorial disputes (Russia/Japan, China/Japan, Japan/South Korea).

These negative factors can be supplemented with the “structural cause.” Northeast Asia is a unique region, wherein all the countries except for Korea have great power status. Now, historical evidence shows that multilateral cooperation has been proceeding fairly smoothly in the regions having no great powers, or having one great power along with other middle and small countries, or with only one undisputable hegemonic power.

For example, there is no manifestly dominant leader in ASEAN. In the EU, France and Germany play the leading roles, with Great Britain another major power present, although their possible ambitions and conflicts are checked and tempered by a number of small and mid-size member-states. A similar situation exists within the Latin American bloc of Mercosur wherein Paraguay and Uruguay act as a buffer between the two giants—Brazil and Argentina. The North American Free Trade Agreement (NAFTA), by contrast, has the one and only unchallenged leader—the US—who dictates the rules to the other members of the integration grouping.

NEA, however, lacks the buffer states capable of moderating disagreements among the great powers. This does not augur well for

multilateral cooperation in the region. The Republic of Korea (ROK) is the only “non-great power” in NEA which could act as a moderator. Other NEA states, including Russia, do not see Korea as a serious geopolitical rival, and Seoul’s initiatives in support of region-building do not make them wary. South Koreans are well aware of this fact. They show an obvious desire to become the key element around which the regional system of multilateral cooperation in NEA could be formed. In particular, South Koreans aspire to be a bridge between the main NEA antagonists—China and Japan.

Another factor, which makes one very cautious assessing the prospect for region building in NEA, is the surge of nationalistic sentiments in the core regional states—Japan, China and the two Koreas.

Modern nationalism is one of the products of Westphalian international order, which is based on nation-states’ possessing unlimited external and internal sovereignty. Westphalian order, having emerged in Europe by the mid-17th century, was produced by Western civilization and afterwards spread to other parts of the world. Evolution of this model in Europe was accompanied by the rise in great-power nationalism, reaching its peak in the beginning of the 20th century and culminating in the First World War.

In mid-20th century, Western countries began a gradual transition toward the liberal, or post-Westphalian, international order of postmodernity, which treats sovereignty and nationalism as negative values. Today many Europeans regard the notion of a sovereign and “nationalistic” nation-state as a vestige to be left behind, whereas in Asia the potential of this concept is still very far from being exhausted.

China, Korea, and Japan, states with roots in ancient civilizations, are yet relatively young as modern nation-states. In Northeast Asia, the Western concept of a nation-state began to take root only in the mid-19th century, and so far the Westphalian type of order has prevailed in the region.

Russia's Role in Multilateral Cooperation in Northeast Asia

In addition to political and diplomatic involvement in six-party efforts to resolve the North Korean nuclear standoff, Russia can contribute to building a multilateral cooperation system in NEA through large-scale energy and transportation projects. The biggest transportation project is enhancing the capacity of the Trans-Siberian Railway (TSR) to serve as the pivotal Eurasian East/West transport corridor and to connect it with the Inter-Korean Railroad after its planned reconstruction. Shipping cargo (especially containers) via the TSR is estimated to be one and a half times cheaper and twice as fast as by sea.

At present, there are several projects to supply Russian energy to Asia-Pacific countries in various stages of discussion, planning, and implementation. Prospective large-scale exports of energy resources from the Russian Far East and Eastern Siberia, driven by ever-increasing demand in China, South Korea, and Japan, can constitute a foundation for energy cooperation in NEA. Indeed, as some analysts point out, energy cooperation can serve as an integrating factor in East Asia, leading to the formation of an “energy community,” just as coal and steel were instrumental in founding the European community.

The biggest and most publicized of these energy projects are:

1) construction of a pipeline from Eastern Siberia, with its terminal point either in the Chinese Daqing or on the Russian Pacific coast; 2) development of the Kovykta gas field in Irkutsk region —there are plans to build a pipeline from Kovykta to China and South Korea; 3) development of the Sakhalin oil and gas fields (those projects are already under active implementation); 4) exploring ways to export electricity from the Russian Far East to China, Korea, and Japan.

However, such energy and transportation projects cannot by themselves guarantee the establishment of a viable multilateral cooperation system in NEA. Indeed, as noted earlier, under certain conditions, they may even lead to fierce rivalries. In particular, this is illustrated by the planned pipeline from Eastern Siberia, which has become a bone of contention between Japan and China, with both seeking to secure access to Russian oil supplies. Shipments via the East/West railway corridor may also become an issue in the competition between Russia, seeking to use the TSR to its maximum capacity, and China, which proposes the shorter southern route from Korea to Europe through its railway network.

Many multilateral projects in NEA are focused on North Korea. This is due to its key position in the geographic center of NEA as well as the push to draw North Korea out of its present isolation and make Pyongyang a more responsible and peaceful actor. Multilateral projects centered on North Korea can likewise encourage both multilateral partnership and rivalry.

Just one example: Tokyo wants China's influence in NEA to subside through a weakening of Beijing's role in the North Korean negotiating process. To that end, Japan intends to bypass China's

territory through big energy and transportation projects that involve North Korea and are deemed by Japan to be a means of facilitating resolution of the North Korean nuclear threat. Only financial participation by China is acceptable to Tokyo, and this has to be proportionate to other countries' bids. This, the Japanese hope, would make it impossible for Beijing to exercise pressure on Pyongyang and Seoul, ease tensions around the negotiations on the nuclear issue, and finally bury plans to build an oil pipeline from East Siberia to China—which runs contrary to Tokyo's interests. Furthermore, Tokyo expects to use the revitalized Trans-Siberian route to ship Japanese goods to EU. (In future, the Inter-Korean railway connected to the TSR is also likely to be used for that purpose, with the prerequisite that Pyongyang unambiguously guarantee secure shipments via this route.)

Russia has historically exercised considerable influence over North Korea, but today it is unable to grant North Korea large-scale assistance. Although a potentially top-notch supplier of oil, petroleum products, gas, and electricity to North Korea, Russia lacks the financial resources to invest in the construction of the pipelines and power grids needed to supply energy to North Korea. Since acute power shortage is one of the main reasons for Pyongyang's reluctance to abandon its nuclear program, the optimal way to solve the problem would be to assist North Korea in overcoming its energy crisis. Yet the issue should be tackled by joint efforts of all the parties concerned. For instance, the US, Japan, and South Korea could invest in projects to provide North Korea with Russian oil and gas as well as electricity.

Moreover, to resuscitate the North Korean transportation infrastructure and thus improve the general economic situation in

North Korea would benefit all parties concerned. Therefore, participation of neighboring countries in a multilateral project to reconnect the North and South Korean railway networks, subsequently linking them to the TSR in Russia and to railways in Manchuria, should be viewed as an important step toward resolving the North Korean nuclear threat.

North Korean sources report that North Korea is willing, in principle, to freeze its nuclear program under the International Atomic Energy Agency (IAEA), while in return, Pyongyang expects large-scale economic projects, particularly in transportation and energy, to be implemented in the North to help stabilize North Korea's economy. The North is ready to guarantee the smooth and stable operation of such projects on North Korea's territory. Furthermore, transit facilities are preferable for Pyongyang, as they do not involve long-term residence of foreigners in North Korea. So, such projects have more chance to succeed. In fact, it is quite possible to tie in funding and operation of such projects with Pyongyang's readiness for compromise on the nuclear issue.

*The Subnational Level of Multilateral Cooperation:
the Role of the Russian Far East*

To properly understand the processes of multilateral cooperation in NEA, one should also analyze the relationships below the level of state capitals. It is important also to take into account the subnational level, i.e., involvement of domestic regions and administrative territories in multilateral cooperation.

Moscow sees integration into the Asia-Pacific and NEA—and this is regularly reiterated in official statements—as one of the key ways to revitalize the economy and raise the living standards in the Russian Far East. Russia needs a viable and economically resilient Far East to feel confident within the regional system of economic interdependence and to secure vital state interests in the Asia-Pacific and NEA. In this light, the Russian Far Eastern territories (members of the Russian Federation)² can be considered both the means and the end of Moscow’s Asia-Pacific policy.

The Russian Far Eastern territories, in turn, hold their own views of regional multilateral cooperation, and thus they pursue their own interests in such cooperation. One form of their participation in NEA multilateral cooperation on an institutionalized basis is through the local and regional administrative forums of NEA countries. The Association of North East Asia Regional Governments (NEAR) is one of the most prominent.

Although such organizations make some contribution toward expanding multilateral cooperation, local governments of neighboring NEA countries have not yet achieved a coordinated and effective strategy for developing regionalism. Both the limited authority of local administrations, with the most important decisions being made in the respective states’ capitals, and the lack of a consistent approach to regional multilateral cooperation are responsible. Indeed, there are

² The Far Eastern territories of Russia (the Russian Far East, also called Pacific Russia) currently include nine members of the Federation which comprise the Far Eastern Federal District, namely Primorskiy *krai*, Khabarovskiy *krai*, Sakhalinskaya *oblast’*, Magadanskaya *oblast’*, Amurskaya *oblast’*, Kamchatskaya *oblast’*, the Republic of Sakha-Yakutiya, and the Chukotskiy and Koryakskiy autonomous districts.

disagreements not only among different countries' local authorities but also among territories of the same state. This is exemplified by the Russian Far East's territories, which, despite stating their significant interest in integration into the region, do not seem to jointly pursue this goal. Instead, they make separate moves, often even rivaling one another.

The problem is that the Russian Far East, although often perceived by outsiders as a single integral area, is very heterogeneous politically, socially, and economically. The coordination of common interests there is almost nonexistent. This is due mainly to the lack of shared economic interests. For example, major international oil and gas projects so far have had direct bearing only on Sakhalinskaya *oblast'*, and Primorskiy *krai* and Khabarovskiy *krai* were able to gain some indirect benefits, while the Northeastern territories such as Kamchatskaya *oblast'*, Magadanskaya *oblast'* and Chukotka had no access to the projects and thus no benefits from them at all.

The most populous and economically developed areas of the Russian Far East, Primorskiy *krai* and Khabarovskiy *krai* have in fact been rivals since Soviet times. Their governments have competing ambitions, both promoting their territories as Russia's and the Far East's main gateway to the Asia-Pacific and NEA. For example, besides being involved in NEAR's activities, Khabarovskiy *krai*'s administration plays a leading role in the Russian National Committee for Pacific Economic Cooperation (RNCPEC), chaired by Khabarovskiy *krai* Governor Viktor Ishaev. At the same time, Primorskiy *krai* shows little interest in RNCPEC. Instead, Primorskiy *krai*'s leadership comes up with its own ambitious plans that call for Primorye to play one of the key parts in multilateral cooperation in

NEA. For instance, Primorskiy *krai*'s Vice-Governor Viktor Gorchakov, addressing the forum of Russian and South Korean legislators in Vladivostok in August 2004, argued that NEA has long been "in need of an organization similar to the European Union." He went on to say that Primorskiy *krai*'s government champions "single investment area, single energy rim, single audit and even single educational standards" for NEA countries. According to the Vice-Governor, Vladivostok is the best place to meet the geopolitical needs of all the NEA countries.³

However, despite the regional administrations' numerous statements of their interest in promoting multilateral cooperation in NEA, no large-scale projects have yet been implemented in the Russian Far East, except the aforementioned development of Sakhalin oil and gas deposits. In the early 1990s, the Tumangan project was widely discussed. It envisioned "another Hong Kong" on the junction of the borders of Russia, North Korea, and China. Those grand plans never came to fruition. They were blocked mainly by the Russian and Primorskiy *krai*'s authorities, concerned about losing control over the strategically important area and rendering local ports idle.

As we can see, the Russian Far Eastern territories have no common strategy for joining the system of economic interaction and multilateral cooperation of the Asia-Pacific and NEA. Nor has Moscow offered such a strategy. Although after the chaotic 1990s the Federal center has regained almost complete political control over the Far East and continues to reduce the regional authorities' prerogatives, the Federal Government has made no steps to move

³ *Vladivostok*, 24 August, 2004.

from general declarations to the formulation and implementation of policies aimed at integrating the Russian Far East into the international economy.

Moreover, some high-ranking Moscow officials do not hesitate to say that the Far East is a burden rather than an asset for Russia. For example, one of the federal ministers visiting Vladivostok expressed his personal view during an informal conversation that the acquisition of the Far East proved to be a historical “mistake of Russian Czarism.” No doubt, such views do not reflect the majority opinion in the Russian leadership, including that of President Putin. Nevertheless, one has to acknowledge that the Far East, although remaining a vital Russian interest⁴, is not currently the chief concern for the Federal Government, which is greatly preoccupied by the developments in the western and southern parts of Russia, such as the North Caucasus. All that causes an impasse: The Federal authorities lack time and resources for the Far East, while the regional and local administrations do not have sufficient power and cannot reach agreement among themselves.

Prospects for Russia-US cooperation in NEA

The prospects for bilateral and multilateral cooperation between Russia and the US in Northeast Asia have to be viewed in the general context of current Russian-American relations. Lately, the chief irritant between Moscow and Washington has been the argument over influencing the post-Soviet area.

⁴ RFE’s military importance for Moscow is manifested in large-scale military exercises conducted in the region annually since 2003. In 2004, the maneuvers were observed by President Putin himself.

Judging by recent developments in Georgia, Ukraine, and Moldova, the US and its western allies refuse to recognize the Commonwealth of Independent States (CIS) countries as Russia's "natural sphere of influence" and will persistently oppose all of Moscow's attempts to assert political control over what Russia calls its "near abroad." Such a stance is explained not only by the West's genuine aspiration to establish liberal democratic values in the former Soviet republics but also by its desire to diminish Russian geopolitical influence in Eastern Europe and in the Caucasus. Apparently, the confrontation between Moscow and Washington in the post-Soviet space will continue as long as the West perceives Russia as a country with an uncertain future, ready to fall back to brutal authoritarianism.

While Russian and American interests clash in Eastern Europe, the Caucasus and, to some extent, in Central Asia, ironically they coincide to a large degree in Northeast Asia. The US does not appear to see Russia as a rival in NEA and, in fact, for a number of reasons might be interested in strengthening Russian positions in the region.

First, a stronger Russian presence there would counterbalance the rapidly growing influence of China, which at some point will inevitably become a power capable of challenging America—first regionally and then globally. Second, the rise of Russian influence in NEA sets up no obstacles to the US goal of "spreading democracy" worldwide and, indeed, can make some contribution to it. Whereas in comparison to Georgia or Ukraine Russia appears less democratic and thus is perceived by the West as a threat to their democratic transition, the current Russian political and social system is still much more liberal than that of China and especially North Korea—something that is easily observed by North Korean and Chinese

immigrants in Russia. Therefore, Russia (in particular the Russian Far East) may under certain conditions propagate some liberal values into neighboring countries. Third, establishing effective Russian-American partnership in NEA may compensate partially for the conflict of their strategic interests in the CIS countries.

Russia and the US are both somewhat peripheral to NEA. Their principal and most vital geopolitical interests lie not in this region but elsewhere. What they seek primarily in NEA is a reasonable accommodation of some of their political and economic interests, not any kind of domination. That is why both Russia and the US are genuinely interested in a peaceful and stable NEA, free from hegemony or prevailing influence of any power. And their political partnership—if not alliance—in NEA could be firmly based on this premise.

No doubt, Russia is very interested in cooperation with the US over a broad range of regional issues. The interaction would be more effective if the US softened its unilateralism and showed more willingness to multilateral approaches in solving global and regional problems. Leaning excessively toward unilateral actions to the detriment of multilateral steps might very possibly run counter to American long-term interests.

Being the only superpower, the US tends to see and present itself as behaving as an “enlightened hegemon” on the international arena. America declares the promotion of liberal democratic values in the world as one of the principal goals of its foreign policy, although it often pursues this goal by authoritarian means, ignoring multilateral institutions and procedures even though these in essence embody the principles of democracy and pluralism at the level of international politics.

Perhaps, given the long-term risks, the US should be more interested in cultivating a world order based on multilateralism, pluralism, and unconditional respect for international law. A stronger American commitment to a multilateral approach in solving key global and regional problems would be no less important than its determination to spread human rights and freedom in individual countries and regions of the world.

Chapter 14

Regional Cooperation and Security: The United States and Russia

Jim Rolfe*

Cooperation and Security

National security today is commonly understood to involve a comprehensive set of factors, all of which need to be in some form of harmony if security is to be achieved. There is some debate in the theoretical literature as to just how comprehensive a set of factors should be considered security-related, but there is little debate that at the very least security involves not only protection of the state against aggressive military actions by other states, but also protection of the economy, protection of the environment, and protection of citizens from threats to their health or social well-being—human security.¹

Because security is now generally defined broadly, so too are the strategies for achieving it. There is no sense internationally that security can be achieved only, or even primarily, through military strength. Instead, effective cooperation between states and across a range of issue areas is increasingly seen as necessary if true security

* *Jim Rolfe is an associate professor at the Asia-Pacific Center for Security Studies, Honolulu.*

¹ Gwyn Prins, “A New Focus for Security Studies,” Desmond Ball and David Horner, eds., *Strategic Studies in a Changing World: Global Regional and Australian Perspectives*, Canberra Papers on Strategy and Defence No. 89, Canberra: Australian National University, 1992. For a discussion of some of the “new” issues in East Asia see, for example, Ralf Emmers, “Globalization and Non-Traditional Security Issues: A Study of Human and Drug Smuggling in East Asia,” Working Paper No. 62, Institute of Defence and Strategic Studies, Singapore, March 2004.

is to be achieved. This is one of the international community's emerging norms, and it demonstrates a "soft security" approach to achieving wider national security.² But the norm is not completely accepted and certainly has not become so entrenched that states are prepared to reject the possibility that conflict could break out if international relationships deteriorate sufficiently. Thus we see concurrently the development of cooperative régimes and a developing body of international law (which requires cooperation to be effective) as well as continued enhancement of national armed forces and continued discussion of the likely nature of future armed conflict.³

Even within the "hard security" paradigm, exemplified by the maintenance of armed forces, there is much international cooperation, even between recent enemies. This can be seen in the range of large- and small-scale military exercises held jointly by traditional allies and among newly discovered friends. Clearly, there is widespread appreciation that cooperation, even within traditional security practices, enhances a state's security. That is to say, the "realist" model of international relations, while not rejected, is being moderated by a liberal institutional model.

² On cooperation as an international norm see Ann Florini, "The Evolution of International Norms," *International Studies Quarterly*, 1996, 40: 383 and Coral Bell, "Normative Shift," *National Interest*, Winter 2002–2003, 44–54. On the concept of effective cooperation see Kate O'Neill, Jörg Balsiger, and Stacy D. VanDeveer, "Actors, Norms and Impact: Recent International Cooperation Theory and the Influence of the Agent–Structure Debate," *Annual Review of Political Science*, 2004, 7:149–75.

³ For example, Robert Kagan, "How we Would Fight China," *Atlantic Monthly*, June 2005. There are many others, and of course warfighting continues to preoccupy the armed forces.

Cooperation itself involves a range of international interactions that follow the rough hierarchy of: dialogue, confidence building, consultation, negotiation, cooperation, coordination, contracting, centralization, (con)federation, and integration. The procedural dynamics, the degree of trust necessary between the partners, and the expectations held for the processes are necessarily different at each stage. These interactions may be conducted bilaterally or multilaterally. Again, the dynamics of each kind of process are different, but each involves one of the forms of cooperative interaction. Cooperation as a component of security must thus be seen as a form of interaction that may vary according to the circumstances and needs of the participants, and the security outcomes will differ according to the forms of cooperation practiced.

If security is based on institutional relationships rather than or in addition to power, both the issues and dynamics of the security debate are likely to change. Security will be gained as much by the ability to work with partner states as by the ability to protect oneself from them. In other words, cooperation will be the new security; this is becoming the standard in the Asia Pacific region.

In this chapter, I first address the range of cooperative institutions within the Asia Pacific region, with a specific focus on Northeast Asia—the least cooperative of the sub-regions. I then consider how the US approaches cooperation, and conclude with some thoughts on ways of improving cooperative processes in Northeast Asia.

The Asia Pacific Region

For the last 50 years the Asia Pacific region has seen at least as much inter-state cooperation as it has conflict. In the last 10 to 15 years, more or less since the end of the Cold War—perhaps a little earlier than that, regional emphasis has clearly been on interstate multilateral cooperation. Today, taking a wide view of the region, there are at least 250 regional multilateral cooperative organizations and institutionalized processes and an unknown and probably unknowable additional number of Track 2 and private sector equivalents.⁴

The multilateral régimes cover a full range of issue areas and activities from the narrowly functional (the Asia Pacific Coconut Community, for example) to sub-regional multidimensional processes which not only have functional components but are also attempting “community building” and “identity shaping,” as seen most clearly in Southeast Asia with the Association of Southeast Asian Nations (ASEAN). The intensity of participation within these organizations ranges from no more than informal dialogue at the lowest end through efforts at confidence building and coordination, to centralization and commitment. There is no universal model to describe the region’s cooperative processes. Instead, there are many processes and many models. Taking the wide view of security, all of these cooperative processes provide some form of security: political, economic, environmental, or societal. That is to say, they leave the participating states safer or more effective in the field of endeavor of the cooperative activity than they would have been without such cooperation.

⁴ Based on the author’s unpublished research.

The Asia Pacific region today is becoming both a “region of sub-regions” and a “region of cooperative institutions.”⁵ Within these groupings, states have multiple and overlapping memberships and there is consequently a diffusion, localization, and homogenization of regional norms and values as ideas and values get transmitted and translated between the institutions.⁶ This process, in the longer term, will likely lead to the development of robust region-wide norms for cooperative and peaceful inter-state behavior.

The sub-regions defining the Asia Pacific region are typically taken as being South Asia, Central Asia, Southeast Asia, Northeast Asia, Pacific Oceania, and South America and North America separately, and possibly the Americas generally. Most of these areas have or are developing overarching structures designed to promote “community” and ensure group cohesion. These sub-regions interact and are interdependent to a large extent economically and to a lesser extent strategically. Of these, Northeast Asia is probably the least developed in terms of formal cooperative institutions. I discuss Northeast Asia in more detail in the next section.

Within the sub-regions outside of Northeast Asia, there is a sense that the sub-region can and should develop closer political, economic and social relationships that make the sub-region itself rather than the individual states the focus of group identity and loyalty. Evidence of this is not hard to find. From the use of the term

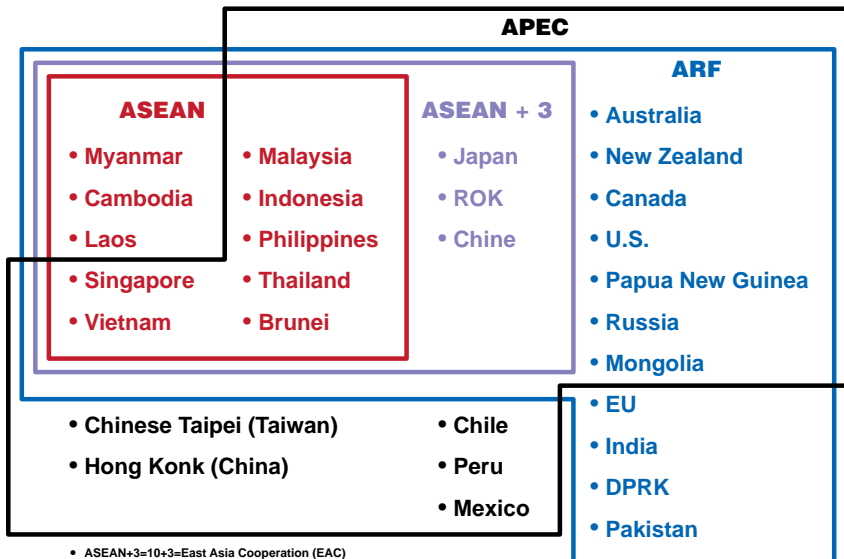
⁵ Identity ties (promoted by the sub-regions) are probably stronger than institutional ties based on interest-only cooperation. This could have some significance for longer-term regional cooperation, either positively or negatively depending upon how strong the sub-regional institutions become.

⁶ See Amitav Acharya, “How Ideas Spread: Whose Norms Matter? Norm Localization and Institutional Change in Asian Regionalism,” *International Organization*, 58, Spring 2004, 239–275.

“community,” especially in Southeast Asia, through the development of an “ASEAN” or “Pacific” way and the establishment of sub-regional preferential and free trade areas, to the formation of sub-regional centres to set policy directions, centralize research, or share information, it is clear that sub-regionalism and sub-regional cooperation are fundamental to defining the Asia Pacific region.

In addition to these sub-regions with their defined intra-regional processes and institutions, there are also supra-regional groupings (the Asia Pacific Economic Cooperation process, APEC, and the ASEAN Regional Forum, for example) and there are developing trans-regional groupings such as the one between countries in South Asia and Southeast Asia through the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMST-EC) and the one between Northeast and Southeast Asia in the ASEAN Plus Three process. A simple example of how states intersect in different multilateral relationships is shown at Figure 1.

Figure 1: Some Regional Relationships



Functional multilateralism covers many fields. There are arrangements to liberalize trade between cooperating states (APEC and the systems of free trade agreements throughout the region), to promote (and control) commercial activities (the International Pepper Community), to share information (the Asian Vegetable Research and Development Centre), to harmonize and coordinate policy (the Marine Environmental Emergency Preparedness and Response Regional Activity Center), and to share centralized facilities (the International Law Enforcement Academy).⁷ The influence of functional multilateral relationships in the region is now so pervasive and the states themselves have come to depend upon them so much that it is hard to see how, in the short to medium term, the web of inter-related activities and memberships could easily be untangled, even if states wanted them to be which they do not.

Beyond the examples of institutionalized multilateralism, pairs of states with historic tensions between them are also learning to cooperate. China has negotiated agreement on its borders with most of its neighbors, India and Pakistan are working at the early stages of developing a sustainable peace, and even in situations of short-term high tension the leaders tend to recognize that the tension is dangerous and that some form of cooperative relationship is essential. Japan and China, between which strong nationalism-fuelled tensions arose in 2004–2005, were still able to conduct a strategic dialogue in mid-2005. They described this dialogue as helpful and agreed to continue the process. North Korea is, not surprisingly, an exception to all of this, but that country also continues a low-level bilateral relationship with South Korea, despite its role as presumptive “enemy.”

⁷ Taxonomy is not exhaustive.

Despite the many examples of institutionalized and *ad hoc* cooperation, none of this is to argue that the region is one in which peace has necessarily arrived for the indefinite future. Rather, the Asia Pacific is a region in which cooperation now is generally the norm but where tensions still exist and where non-cooperation has the potential (if not the likelihood) to spill over into conflict. Security, however, is now seen as being obtained through cooperation, either multilaterally or bilaterally, rather than through self-help and the development of armed force.

Of course armed force is not completely rejected, but compared with even 10 years ago the security relevance of cooperative institutions is striking as states develop habits of cooperative behavior. This change is occurring quickly. In the first years of the 21st century the strategic mood has changed from one in which the possibility of conflict was considered to be ever-present to one in which conflict is likely to be confined to two or three flashpoint areas, and even in those the probability of conflict is low and getting lower. The flashpoints now provide a cautionary backdrop to, rather than a focus of, strategic planning.

The US and Russia have differing levels of involvement in regional cooperative arrangements. The US is an active participant and a more or less enthusiastic promoter of regional cooperation, whereas Russia is less involved in regional processes and probably less enthusiastic about them. The US is a member of at least 30 regional institutions, Russia a member of perhaps half that number, and there is not a lot of overlap between their memberships.

*Cooperation in Northeast Asia*⁸

Northeast Asia is, according to former Commander of the US Pacific Command, Admiral Tom Fargo, “the center of gravity for Asia Pacific security.” This is the area where security concerns are highest and where the US maintains most of its regional forward-deployed forces. This is a “realist” conflict-centred view of the security problem, but Fargo went on to describe regional cooperative processes as being both the key to resolving his security concerns and probably more relevant to security in any case. However, of all the sub-regions in the Asia Pacific region, Northeast Asia is typically considered the least “cooperative.” That is to say, regional tensions in Northeast Asia are higher than in most other parts of the region. Perhaps as cause, perhaps as effect, there is no overarching regional grouping analogous to ASEAN or SAARC, and efforts to cooperate politically are regularly obstructed by disagreements between the parties over both the means and the ends of cooperative processes—this even between allies. Undoubtedly the lack of high-level cooperation has its roots in the Cold War, when countries were on different sides of that conflict. More fundamental reasons might relate to historical enmities, to objective differences in strategic understanding, or even to systemic issues of peer rivalry. Whatever the reason, the point is that cooperation in Northeast Asia seems to be more difficult than in other parts of the Asia Pacific.

⁸ Japan, China, and South Korea. North Korea and the Russian Far East are often not included in discussions of Northeast Asia, although Russia especially is central to much of the discussion of Northeast Asia in this chapter.

Despite the paucity of cooperative processes at the political level, there are some sub-regional multilateral institutions and institutionalized processes either focused specifically on Northeast Asia and Northeast Asian issues or in which Northeast Asian countries participate. A partial list of multilateral arrangements in which at least Russia and two other Northeast Asian countries (or Russia, the US, and one other Northeast Asian country) participate is in Table 2.⁹ The list shows that in areas where there is some form of common purpose, cooperation is completely possible.

Table 2: Regional Organisations with Participation by Russia and/or the US and other NE Asian States

- ASEAN Regional Forum
- Asia-Pacific Economic Cooperation
- Asia Pacific Information Network in Social Sciences
- Asia Pacific Network for Global Change Research
- Asia-Pacific Port State Control regime
- Asian and Pacific Centre for Transfer of Technology
- International Oceanographic Commission sub-Commission for the Western Pacific
- Marine Environmental Emergency Preparedness and Response Regional Activity Center
- North Pacific Heads of Coast Guard Agencies
- North Pacific Anadromous Fish Commission
- North Pacific Fur Seal Commission
- North Pacific Marine Sciences Organization
- Pacific Area Standards Congress
- Six Party Talks
- Tumen River Area Development Project

⁹ If Russia were not the continuing variable, the list would be considerably longer. For example, a similar listing with China as the centre has more than twice as many relationships noted.

The sub-region lacks any overarching sub-regional body. Another significant gap in the sub-region's institutions is the absence of any forum more narrowly focused on traditional security issues, arguably of more importance in this sub-region than in many other parts of Asia Pacific. There is need for some institutionalized arrangement to allow common security issues to be addressed. The Six-Party Talks exist to bring interested parties together to deal with Korean Peninsula issues; the Trilateral Coordination and Oversight Group brings the US together with South Korea and Japan to coordinate approaches to the Peninsula also, but they are very narrowly defined; and the Foreign Ministers of China, Japan and South Korea meet regularly as part of the "plus three" component of the ASEAN Plus Three process. Additionally, there have been Track 2 processes designed to explore the issues, but the Track 2 processes have had no sub-regional grouping to feed into.¹⁰ None of this allows for any discussion of broader security concerns with comprehensive regional participation. With enough good will and interest it should be possible for a dialogue process to be established and, given that suspicion between a number of the states is still strong, for that to lead to a range of confidence-building interactions.

Not reflected in the list of institutions is the development of trading links between countries. These are fuelled by the private

¹⁰ Track 2 is the process in which academics, business leaders, and officials acting in their private capacities meet to discuss issues of regional importance. The Track 2 process is well developed in the Asia-Pacific, in part because most academics from regional think tanks have close links with their governments and can disseminate unofficial ideas easily. Northeast Asian issues are discussed by the Northeast Asian Cooperation Dialogue (NEACD) and the Council for Security Cooperation in the Asia-Pacific. The latter group passes conclusions to the pan-regional ASEAN Regional Forum. There is no similar grouping for the NEACD.

sector and promoted by the growth of bilateral and multilateral free trade arrangements and special economic zones. Table 3 shows the pattern of intra-regional trade since the end of the Cold War. Clearly intra-regional trade is growing both in absolute terms and as a percentage of total trade.¹¹ Figure 1 shows the direction of exports for Northeast Asian countries in 2002. It shows that for most of Northeast Asia, Russia excepted, intra-subregional exports are about 50 percent of total exports, reinforcing the notion of the region's importance to itself.

Overall, in the first years of the 21st century the economies of Northeast Asia have become quite interdependent. The ever-closer integration of economies shows the possibilities for wider regional and sub-regional cooperation. On the negative side, signs of increasing nationalism aimed at neighboring countries point to the continuing difficulties of establishing cooperative régimes.

¹¹ If, as discussed below, Northeast Asia integrates with Southeast Asia to form a single trading bloc, the East Asian region will be an economic giant and potentially a political one also.

Figure 1: Northeast Asia Direction of Exports 2002

Source: Prepared by Mark Harstad, Asia Pacific Center for Security Studies, Hawaii.

Table 3: Northeast Asia: Intra-regional Trade (\$ billions)

	1990	1995	1999	2003
Intra-regional 2-Way Trade:				
Korea–Japan	29.2	48.2	38.8	53.6
Japan–China	18.1	58.0	66.1	133.0
China–Korea	2.8	16.5	22.6	63.2
Total, NE Asia		50.1	112.7	127.5
249.9				
Total Exports:				
Korea	65.0	125.1	144.7	192.8
Japan	287.6	443.1	419.4	473.9
China		62.1	148.8	195.1
438.3				
Total, NE Asia		414.7	717.0	759.2
1104.9				
Total Trade:				
Korea	134.8	260.2	264.5	371.6
Japan	523.0	779.0	730.7	856.9
China		115.4	280.9	360.9
851.1				
<i>Intra-regional Trade/ Total Exports</i>		12.1%	15.7%	16.8%
22.6%				

Sources: Adapted from Jeffrey J. Schott and Ben Goodrich, “Economic Integration in Northeast Asia,” Table 2.1, paper presented at the KIEP/KEI/CKS Conference on *The Challenges of Reconciliation and Reform in Korea*, Los Angeles, California, 24–26 October 2001 and updated with IMF Direction of Trade Statistics.

As well as the sub-region’s economic integration, regional infrastructures are also being developed. Energy, transport and communications projects currently being planned or developed may

eventually create a sub-region in which borders become only a symbolic expression of the state rather than a formal barrier to international and transnational transactions. It will be some time before that happens.

Northeast Asia does not stand alone as a region. Southeast Asia is a close partner with it through the ASEAN Plus Three process and the possibility exists that an East Asian community (perhaps including India, but probably not including Russia and even more probably not the US) will form. If it did, it would no doubt become a significant regional grouping, both economically and politically, and it would transform the model of cooperation described above. It would also transform the regional dynamics in other areas.

The United States and Cooperation

From a US perspective, there seem to be two forms of regional cooperation: those in which the US is an active participant and therefore desirably a leader (in its own eyes at least); and those where it is an observer only. In each case the US is likely to have strong views on the ways the processes should develop and the kinds of outcomes that should occur, although in the passive scenario its ability to influence events is often limited. In this paper I consider both forms of cooperation.

The US can hold its position on desired processes and outcomes because of its acknowledged status as the pre-eminent power. Russia, on the other hand, has no such status. To the extent it promotes multilateralism and cooperation, it does so partly because it understands the benefits of cooperation and the legitimacy derived

from it, and partly because it has few opportunities to act unilaterally, and partly because multilateral cooperation sets it apart from the US's perceived unilateralism.¹²

There is clearly a perception within the region that the US is reluctant to endorse cooperation as an international behavioral norm. Political leaders and independent commentators from across Asia have condemned America for its perceived unilateralism and its emphasis on asserting its power in its relationships with other states. The Asia Foundation (itself based in the US) concluded in a November 2004 report that:

the US must be extremely careful of not letting its penchant for unilateralism undermine or damage its alliance with its traditional allies Japan and South Korea. Continued unilateralism can create the impression that the US is contemptuous of Japan and other "friends" and "allies."

The US administration does not see the issue in quite the same terms as its critics. The US formally promotes regional cooperation both in terms of its own leadership role in multilateral and bilateral relationships and as a device for ensuring and promoting regional security. The US does, however, argue that cooperation, especially in multilateral relationships, must be effective. President Bush noted at the end of 2004:

Multilateral organizations can do great good in the world. Yet the success of multilateralism is measured not merely by following a

¹² Although Russia's approach to cooperation is not addressed in this chapter, see Alla Kassianova, "Russian Diplomacy in the 21st Century: Multilateralism Put to Work," PONARS Policy Memo No. 262, Tomsk State University, October 2002.

process, but by achieving results. The objective of the UN and other institutions must be collective security, not endless debate... My country is determined to work as far as possible within the framework of international organizations and we're hoping that other nations will work with us to make those institutions relevant and effective in meeting the unique threats of our time.

The general point about effectiveness is reiterated whenever US officials discuss the issue, and they note, as did Assistant Secretary of State for Political-Military Affairs Lincoln Bloomfield in December 2004, that "the price of a multilateral approach that fails to advance security is higher than the political cost of criticism for declining to lend support to that approach."

Within the Pacific, the US has argued (as then-Commander of the US Pacific Command Admiral Denis Blair did in 2000) that "participation [in cooperative processes] clarifies the shared interests and builds confidence in the intentions among the states involved." The US promotes military cooperation through the Theatre Security Cooperation Program (TSCP), which focuses on the development of cooperative relationships that in turn "provide a baseline understanding [between the participants] and foster common approaches to regional challenges." From the US perspective, that is probably not an end in itself. The TSCP is also of direct benefit to the US in that "these relationships provide avenues of access and would facilitate forward movement of US forces should the need arise."

The US, especially in areas in which it has a significant interest, expects a leadership role in multilateral cooperative processes and, as President Bush noted in his 2004 State of the Union address, expects that leadership is not going to be compromised by minority

needs: “[t]here is a difference, however, between leading a coalition of many nations, and submitting to the objections of a few.” Areas in which the US has taken a leadership role include the core security measures of coordinating national and institutional responses to the global war on terrorism and countering the proliferation of weapons of mass destruction. Activities taken in the name of those processes are diverse and include military interventions in Afghanistan and Iraq, the proliferation security initiative, the regional maritime security initiative, port and maritime security processes, advance customs clearances, and changes to travel documentation and procedures. The US has, at some cost to itself, generally achieved its ends on these issues.

Outside these core interests the score sheet is mixed. Within APEC especially, the US is seen by many regional commentators as uninterested in the trade liberalization agenda and focused on the institution only to the extent that it can promote anti-terrorism policies. These commentators argue that this is symptomatic of America’s approach to dealing with the region and indicative of its lack of interest in the region except as a means to the US’s own ends. On the other hand, the US was an early and significant contributor to the international cooperative effort in response to the devastating earthquake and tsunami that affected much of Asia in January 2005. In that case, the US looked for a leadership role, but relinquished it when it became apparent that the international community preferred that the UN take the lead in response and recovery operations.

A leadership role is perhaps more easily taken by the US in bilateral rather than multilateral forums. The most obvious of these are the long-standing military alliance relationships, the strong

military friendships short of alliance relationships with many countries, and the forward presence of American forces all of which are, in Commander, US Pacific Command, Admiral Tom Fargo's term, the "constants" of America's role in Asia Pacific security.

Through these alliances the US is able to promote its own world view and gain support for its own initiatives. In an attempt to reinforce this support, the US is attempting to reshape these relationships, especially with Japan and Korea, to make the alliances more relevant (as perceived by the US) to today's warfighting needs and less focused on the needs from the times when they were negotiated. Within that, according to US forces Japan commander Lt Gen Bruce Wright:

There are multiple opportunities to improve the strength of the alliance within the realignment ...to ensure that the operational credibility, the operational capability and the deterrent credibility of the alliance remains intact as we work very hard to address specific realignment opportunities.

Redeploying troops, altering the balance of costs, and renegotiating understandings on the purposes and legitimate uses of alliance institutions are all part of this. However, as these changes occur tensions rise and the process may go in directions not anticipated by the US; an issue especially in Korea. An April 2005 editorial in the Korea Herald noted that: many people feel and express "fatigue" about the military interdependence with the United States that has lasted more than a half century. Administration officials need to review the status of the alliance in the changing global security environment, but what is worrisome is an inflated portrayal of any supposed setback in the US alliance, still the foundation of Korea's national security.

The issue for Korea and to a lesser extent Japan is often not so much the alliance relationships themselves as the tensions caused by the process of thinking through and fine-tuning them, and the possibility that US needs might not necessarily correspond with partner country needs. The US has to manage these tensions if it is to be able to continue to set its alliance agendas as it desires.

Outside the alliance system the US has good relations with most regional states and cooperates with them on issues of mutual interest. This is seen, for example, with Russia on the protection of its nuclear weapons and material, Pakistan on terrorism issues, Singapore on information technology exchanges and the use of facilities, Malaysia on maritime security, Vietnam on outstanding issues from the war in that country, and with a range of countries on issues such as trade liberalization and the protection of intellectual property rights. In these relationships the cooperation is real but the US does not necessarily exert leadership as a senior partner (as it might do within its alliances) so much as attempt to demonstrate leadership through the force and merits of its arguments on the issues. To the extent that its position (or the other country's) has merit, cooperation is likely to occur and the US welcomes that. Where cooperation does not occur, the US attempts to understand its interlocutor's position and either attempts to change that position or it moves to another agenda item with the same country or another.

There is much cooperation occurring within the region where the US cannot sensibly be directly involved, either because it has no legitimate interest in the subject matter (the Mekong River Commission perhaps, or the burgeoning development of so-called "growth triangles") or because the organization is defined

territorially and thus excludes the US, as with all the sub-regional multi-purpose organizations. In the first case the US does not generally concern itself with the process or the issues. In the second, however, because of the wide-ranging nature of their activities, the US is generally concerned to participate to some extent if only as an observer or dialogue partner, as it does with many of the major sub-regional groupings.

The 2005 transformation of the ASEAN Plus Three summit into an East Asia summit and the declared intention of developing an “East Asian Community” have been closely watched by a number of states outside East Asia. Although the US has not indicated any desire to be included in the process as a member (and could not be under current guidelines which require participants to have acceded to ASEAN’s Treaty of Amity and Cooperation), it does want observer status on the grounds that it does not want to be “excluded from the region.” Failing that, there are indications that the US would prefer any new organization to be broadly based (to include, for example India, Australia, and New Zealand) because the wider the grouping’s membership the less able it will be to form a single-minded “community,” perhaps working against the US’ own interests.

At the heart of this debate is a discussion as to what East Asia should look like in the future, to what extent its centre of gravity (especially its decision-making processes) will be in Northeast rather than Southeast Asia and to what extent it will be or should be dominated by China, Japan, or any other power. The more diverse the new community, the less likely it will be to become exclusionary or inward-looking and the less able any one state will be to act as community hegemon. The US is keenly exercised by the thought

that a significant regional cooperative activity, one that could develop into an economic and perhaps even a political power centre, might be developed. It is not surprising that the US is at least watching the process closely, because it wants to ensure that East Asia remains at least “open and inclusive.” In the early 1990s the US was able to squash talk of an East Asian economic grouping or caucus within APEC (and partly in response to it), a concept promoted by Prime Minister Mahathir of Malaysia without significant large-power support. Today, given China’s support for a very similar concept, the US cannot do that and has to accept at best observer status of the process.

Conclusions

Regional cooperation is more and more a norm of regional behavior. The processes have some momentum now and have the potential to alter the region’s security map and to alter our understanding of what constitutes security. Such an outcome is completely contingent on national leaders’ making choices to cooperate, thus reinforcing cooperation as the behavioral norm, on the development of regional norms and values which punish non-cooperation, and on not being beguiled by the “imperatives” of apparent security dilemmas. In general, regionalization (a process occurring with or without active state promotion) is developing at some speed. Regionalism—the normative belief that the process should occur—is more dependent upon the needs of state policy makers. It seems most likely that regionalization will continue in the short to medium term, whether or not individual states are happy with the processes and outcomes.

Given that cooperative processes in Northeast Asia are not robust and that the states of Northeast Asia do not fully trust each other, it would make sense to develop any new cooperative processes cautiously and with an understanding that countries need to understand each other's positions (through dialogue) before any more ambitious schemes can be developed. There is no sub-regional security or political dialogue process. As a first step, the extant grouping of China, Japan, and South Korea, which have an institutionalized foreign ministers' meeting, should expand that to include their Russian (and perhaps American) counterparts. At this level the meeting would be symbolic. It should be supported by regular meetings of working-level officials who can exchange positions and develop a level of understanding and confidence in each other and each other's national positions. These meetings could be supported by Track 2 processes, either by building on the existing framework or by developing a new process.

In parallel with the dialogue process, perhaps running slightly behind it, a confidence-building process should be established. Dialogues are designed to establish positions. Confidence-building measures (CBM) build trust, working from an agreed position and ideally based on the understandings developed through the dialogue process. Only when common understandings have been established should there be any attempt at negotiation (establishing trade-offs between issues) and cooperation (working toward common policies). Without the earlier steps later steps will normally fail.

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*Compiled by Dianna R. Hummel, Research Assistant, Asia Pacific Center for Security Studies, Honolulu.

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