

## The Korean Pivot: Challenges and Opportunities from Evolving Chinese-Russian and U.S.-Japanese Security Ties

*by Richard Weitz*

This paper provides an analytical assessment of the implications for North and South Korea of recent changes in the Chinese-Russian and U.S.-Japanese security relationships. The evolution of these two security relationships presents challenges and opportunities for both Korean states. On the one hand, the evolving situation could lead to a revival of Cold War alignments, with the People's Republic of China (PRC) and Russia resisting Japanese-U.S. efforts to force the Democratic People's Republic of Korea (DPRK) to abandon its nuclear weapons program. In this case, both sides would pressure the leaders of the Republic of Korea (ROK) to support their positions. On the other hand, the six-party talks, the military alliance between South Korea and the United States, and other existing security ties might help provide the basis for launching multinational initiatives to address regional security issues. In this scenario, opportunities would arise for profitable security linkages across the Sino-Russian and U.S.-Japanese alignments.

The first section reviews the evolving security environment encompassing the Korean peninsula. This summary describes the wide-ranging ties between China and Russia, the recent changes in the Japanese-U.S. military alliance, and the strained relationship between China and Japan. The next section focuses on the most important security poli-

cies of China, Russia, and Japan toward the two Koreas. China and Russia, North Korea's primary allies during the Cold War, have maintained their connections with Pyongyang while simultaneously cultivating new ties, especially in the economic dimension, with South Korea. In contrast, relations between Japan and the two Koreas remain troubled by historical burdens and other differences. The final section assesses how these changing relations currently affect the Korean peninsula and suggests how, by working through international institutions and other means, the six countries can overcome the challenges and exploit the opportunities created by the transformation in the East Asian security environment.

### Korea's Changing Regional Security Environment

Relations among the major external powers involved in Korean security issues remain fluid. Nevertheless, a distinct pattern has emerged in which China and Russia on the one hand and Japan and the United States on the other have been coordinating their policies toward the Korean peninsula and other East Asian security issues. Although ties between Tokyo and Washington are closer than those between Beijing and Moscow, the China-Russia alignment

Dr. Richard Weitz's paper is the fourth in KEI's new *Academic Paper Series*, which began in December 2006. KEI intends to commission 9 to 10 papers per year comprising original work on a wide array of topics of current interest to Korea watchers. KEI will edit and distribute each paper as a *KEI Academic Paper* to over 2,000 government officials, think tank experts, and scholars around the United States and the world. Distribution of each paper will be followed by a public discussion with the author at KEI. The annual collection of *KEI Academic Papers* will be collated and published in a single volume by KEI. The next KEI Academic Paper will be published in April 2007. Authored by Professor **Dr. Gi-wook Shin** of Stanford University, it will address **North Korea and Contending South Korean Identities in the Sunshine Era**. Dr. Shin will discuss the paper at KEI on April 27.

affects a range of subjects that define the security environment encompassing the two Korean states.

### **The China-Russia Pragmatic Partnership**

Since the disintegration of the Soviet Union in the early 1990s, China and Russia have strengthened their security ties in many dimensions. For more than a decade, Russian military exports to China have constituted the most important dimension of the two countries' security relationship. Russia has provided advanced warplanes, offensive naval weapons, and other sophisticated weapon systems to the Chinese People's Liberation Army (PLA). The annual value of these deliveries approached \$1 billion during the 1990s and has approached \$2 billion in recent years.<sup>1</sup> Frequent meetings take place between senior military officials from both countries. During 18–25 August 2005, the two countries conducted their largest bilateral military exercise to date.

Chinese-Russian security cooperation also manifests itself in joint statements calling for a world order less dominated by the United States, shared opposition to U.S. military activities in outer space, and mutual complaints about other U.S. policies. Although joint Chinese-Russian declarations do not typically refer explicitly to the United States, the target of their criticisms is obvious. In place of a U.S.-dominated international system, the two governments have frequently called for a "multipolar" world in which Russia and China would occupy key positions along with Europe, the United States, and perhaps Japan. Their ideal world order would consist of a geopolitical balance in which no one great power (for example, the United States) would predominate.

The extent to which Russia and China share current security concerns was evident during the controversy surrounding China's January 2007 antisatellite (ASAT) test. In contrast with the position taken by most of the world's governments, Russian officials refused to criticize China for conducting the first test of an ASAT weapon in space in more than two decades, ending an informal global moratorium on such actions. A week after the 12 January test (Beijing time), an unnamed official from the Russian Ministry of Defense told the media that the Chinese test was a "consequence of extremely aggressive U.S. policies" that had undermined international law and led to "a new arms race in which Russia has no intention of taking part." The following month, the Chinese and Russian delegations resumed their joint effort to induce the Conference on Disarmament in Geneva to adopt a treaty banning weapons in outer space while they condemned the United States for single-handedly blocking progress.<sup>2</sup>

Beijing and Moscow frequently express a desire to strengthen the role of the United Nations in international security. As permanent members of the Security Council, they are able use vetoes (or even the threat of a veto, as was the case in March 2003 concerning the then imminent Iraq invasion) to prevent the United States and its allies from obtaining formal UN endorsement of any military operations they oppose. The U.S. decision to lead military interventions in Kosovo and Iraq without UN approval evoked dismay in both capitals.<sup>3</sup> In recent months, Chinese and Russian officials have led the opposition in the UN Security Council against imposing rigorous sanctions on Burma, Iran, North Korea, and other states.

### **Japan's Strengthening Alliance with the United States**

Several major trends have lent a heightened importance to the U.S.-Japanese security relationship in recent years. For more than a decade, Japanese security managers have had to consider a potential nuclear attack from North Korea. In 1994, U.S. intelligence concluded that North Korea possessed a secret nuclear weapons program. The issue became less pressing after U.S. threats, South Korean inducements, and Japanese financial assistance caused Pyongyang to pledge to suspend its plutonium reprocessing program under the October 1994 Agreed Framework. The launch of a North Korean long-range Taepo-dong 1 ballistic missile over Japanese territory in late August 1998, however, produced a Sputnik-like shock effect. Japanese people and policymakers now had to consider the devastation that even a single North Korean missile could, if armed with a nuclear warhead, inflict on their country.

Despite Japanese threats and pleas, North Korea resumed test launching ballistic missiles over the Pacific Ocean in July 2006, ending the moratorium the DPRK had maintained on such tests since September 1999. North Korea's test of a nuclear explosive device three months later—the first technological step toward developing a nuclear warhead sufficiently small for delivery aboard a ballistic missile—prompted the Japanese government to reassess, for the first time publicly, the country's long-standing decision to refrain from developing an independent nuclear deterrent (embodied in the "Three Non-Nuclear Principles" by which Japanese governments have committed to not possessing, producing, or permitting entry into Japan of nuclear weapons).<sup>4</sup>

In addition to the threat from North Korea, the Japanese have become increasingly concerned about China's military intentions and capabilities. Although they continue to see China as replete with tremendous commercial opportunities, Japan's leaders and public alike have expressed alarm at recent Chinese foreign policy actions. During the March

1996 crisis over Taiwan, China launched missiles in the island's vicinity, threatening regional maritime commerce. Some of the missiles landed less than 100 kilometers from Okinawa.<sup>5</sup> A few months later, the sovereignty dispute between China and Japan over the Senkaku-Diaoyutai Islands revived. Since the late 1990s, Chinese ships have conducted unauthorized exploratory research within waters claimed by Japan, exacerbating their bilateral dispute over exploratory drilling rights in undersea natural gas fields in the East China Sea. In November 2004, the Japanese detected a Chinese nuclear submarine in its territorial waters. Following a year of futile protests, Tokyo decided to permit Japanese firms to conduct their own explorations in the disputed region. After Chinese warships provocatively patrolled the area, the Japanese Coast Guard boldly assumed formal control over the contested Senkaku Islands south of Japan.<sup>6</sup> In November 2006 and January 2007, the Japanese government formally asked China to cease production at disputed gas fields in the East China Sea.<sup>7</sup>

Japanese policymakers have also expressed concern about China's surging military spending, which has increased for many years by double digits, a level exceeding the country's average annual economic growth rate.<sup>8</sup> Since the late 1990s, the Chinese government has accelerated efforts to modernize and upgrade the PLA. China's lack of transparency regarding defense expenditures obscures matters, but most foreign analysts estimate that, since the official Chinese budget figure of \$36 billion excludes spending on military research and development, nuclear weapons, and major foreign weapons imports, the PRC probably spends \$60–90 billion annually on defense.<sup>9</sup> The latest Chinese defense white paper outlines plans for an ambitious multidecade effort to modernize all the branches of the PLA, from the army, navy, and air force to the Second Artillery Forces, which manage the country's strategic missile forces.<sup>10</sup> On 4 March 2007, the Chinese government announced one of its largest military spending increases in years, a 17.8 percent increase in its declared defense budget.<sup>11</sup>

Besides allowing the PRC to improve its traditionally weak indigenous defense industry, rapid economic growth has enabled China to become the world's largest arms importer. Russia has been an especially eager seller. China's recently acquired Russian weapons systems include advanced military aircraft (for example, Su-27s and Su-30), naval systems such as Sovremenny class missile destroyers equipped with SS-N-22 Sunburn antiship missiles, and improved Kilo class diesel attack submarines that would enhance the effectiveness of a Chinese military campaign against Taiwan.<sup>12</sup> China is also devoting more resources to creating a domestic manufacturing process for advanced weapons systems. In late 2006, the PLA began deploying its first indigenously

produced advanced jet fighter, the J-10, at bases near Taiwan. China's space program has generated new surveillance, communication, and navigation satellites capable of coordinating military operations against Taiwan and other contingencies outside the Chinese mainland.<sup>13</sup> As recent events demonstrate, China has also developed ASAT capabilities. Overall, China's massive defense spending is shifting the balance of power against Taiwan, making a coercive solution increasingly attractive to Beijing.<sup>14</sup>

China's military buildup has raised some alarm in Tokyo about Japan's security situation. The Japan Defense Agency's *Defense of Japan 2005* identified China's military modernization as potentially threatening and called on Beijing to make its defense programs more transparent. This authoritative assessment further singled out North Korea as a security problem.<sup>15</sup> On 27 September 2006, Japan's minister of defense, Fumio Kyuma, told the media that Chinese military power had become so great that it would be "impossible for Japan to deal with it single-handedly, no matter how much money we spent for our defense buildup." In Kyuma's assessment, only the U.S.-Japan mutual defense treaty could counter this imbalance.<sup>16</sup>

Chinese-Japanese relations have improved since Shinzo Abe became Japan's prime minister on 26 September 2006. His 9 October 2006 visit to Beijing ended an 18-month freeze on bilateral summits between the heads of the two governments. On 19 November, China and Japan resumed their working-level defense dialogue, which had been in abeyance since March 2005. Premier Wen Jiabao is scheduled to visit Japan in April.<sup>17</sup> The two governments plan to resume military exchanges later in 2007, with a series of mutual naval visits that would bring Japanese warships into Chinese ports for the first time since World War II.<sup>18</sup>

Nevertheless, when Abe visited Europe in January 2007, he urged the EU governments not to lift their embargo of arms exports to China, arguing that such a move would adversely affect the security situation in East Asia.<sup>19</sup> Like other governments, the Japanese criticized China for its failure to notify other countries in advance about its ASAT test and then for delaying its subsequent confirmation about the incident. The Japanese foreign minister, Taro Aso, complained that China should have given Japan advance notice.<sup>20</sup> Japan's chief cabinet secretary, Yasuhisa Shiozaki, warned that Beijing's lack of openness about the incident could reinforce doubts about China's peaceful motives.<sup>21</sup> Abe told the Japanese Diet that China's test might have violated international law because the 1967 UN "Outer Space Treaty," which bans weapons of mass destruction in space, requires all countries to avoid contaminating space with debris.<sup>22</sup>

In addition, concerns about North Korea persist in Japan despite the 13 February 2007 six-party agreement. Even if North Korea would abandon its nuclear weapons program, which remains very doubtful, the DPRK would still possess hundreds of ballistic missiles capable of attacking Japan with conventional warheads. Furthermore, many Japanese remain worried about the threat of transnational terrorism, which became an issue even before the 11 September 2001 terrorist attacks. On 20 March 1995, the Aum Shinrikyo, a messianic cult with an international network of supporters, released the virulent nerve agent sarin in the Tokyo subway, with devastating effects.<sup>23</sup>

In response to these threats, Japan has worked with the United States to upgrade their bilateral security alliance to deal with these twenty-first-century threats. During the Cold War, the core bargain was that Washington would defend Japan against external attack while the Japanese government would contribute to its immediate self-defense and offer generous financial and other support, including hosting U.S. military facilities on Japanese territory. In 1997, Tokyo and Washington revised the “Guidelines for U.S.-Japan Defense Cooperation” to specify that Japan would provide “rear area support” for U.S. forces conducting overseas military operations in certain cases. In 1999, Japan enacted legislation that allowed its government to conduct joint operational planning with the United States for contingencies in areas surrounding Japan. Subsequent laws have also enabled Japan’s Self-Defense Forces (SDF) to provide limited support for the U.S.-led military operations in Afghanistan and Iraq, marking the first deployment of the Japanese armed forces in a theater of war since World War II.<sup>24</sup> Less visibly, Japanese and U.S. officials have adopted hedging policies aimed at responding to a situation in which China’s rising economic, political, and military power becomes a security threat.<sup>25</sup>

The Japanese government has shown particular interest in developing ballistic missile defenses (BMD) with the United States. After North Korea’s experimental long-range Taepo-dong 1 missile flew over Japan’s mainland on 31 August 1998, stunning the Japanese public, the United States and Japan started a joint BMD program. North Korea also possesses hundreds of shorter-range No-dong 1 missiles that could reach most of Japan, including Tokyo. In 2003, the Japanese government decided to develop a multilayered defense system based on the Aegis BMD system and the Patriot Advanced Capability-3 (PAC-3).<sup>26</sup> Japan and the United States successfully tested an advanced SM-3 sea-based missile interceptor near Hawaii in March 2006.<sup>27</sup> The two governments anticipate deploying an operational joint system by 2015. Although the stated purpose of their BMD cooperation remains countering a North Korean missile strike, an effective system could also impede the ability of

China’s growing missile arsenal (which could include advanced long-range cruise missiles) to hold Japan, as well as the U.S. forces stationed there, at risk in a future confrontation.<sup>28</sup> In addition, Japan modified its long-standing policy of not exporting defense items to foreign countries (the so-called Three Principles on Arms Exports) and made an exception for BMD-related transfers to the United States. Having established this precedent, the Japanese government would now find it easier to make future waivers for other foreign military sales.

Thus far, the situation in Korea has not resulted in a crisis of confidence over the credibility of U.S. security guarantees or other major harm to the U.S.-Japan alliance. If anything, Japanese-U.S. ties have become stronger during the last decade despite Japan’s continuous redefinition of its foreign and defense policies. Although North Korea’s 9 October 2006 nuclear weapons test prompted an unprecedented public debate in Japan about whether to develop an independent nuclear deterrent, continued confidence in U.S. pledges to defend Japan against external threats has thus far averted a change in the long-standing policy of nuclear abstention.

Shortly after the test, U.S. Secretary of State Condoleezza Rice flew to Tokyo to reaffirm the U.S. government’s “firm commitment” to uphold its bilateral security guarantees, including the nuclear deterrent pledges embodied in the 1960 Mutual Defense Treaty, in one of the most direct statements in years.<sup>29</sup> Persistent faith in the credibility of U.S. security guarantees has also reassured Japan’s national security decision makers about relying on the U.S. Air Force and the U.S. Navy for power projection capabilities rather than developing their own aircraft carriers, strategic bombers, or long-range missiles. Whatever the possible value in preemptively destroying DPRK missiles aimed at Japan, the SDF’s acquisition of such “offensive” weapons systems would deepen concerns in South Korea and China about Japan’s military ambitions.

### **Chinese Fears of Japanese Remilitarization**

Notwithstanding Japan’s adherence to these limits, Chinese leaders disapprove of Japan’s growing security cooperation with the United States, particularly the joint BMD programs of the United States and Japan and their possible coordinated response to another crisis over Taiwan. The demise of the Soviet threat and improvements in Russian-Chinese relations have led Beijing to reassess its earlier support for the Japanese-U.S. defense alliance. During the 1970s and 1980s, Chinese officials generally tolerated the alignment because it helped contain Soviet power in the Pacific while simultaneously channeling Japanese military activities within acceptable directions. Starting in the mid-

1990s, however, Chinese officials have seen the joint U.S.-Japan defense endeavors as aimed at countering China's rise.<sup>30</sup>

Chinese policymakers probably do not consider Japan's SDF as an immediate threat, but they fear that U.S. pressure and Japan's extensive ties with Taiwan could result in joint Japanese-U.S. intervention on Taipei's behalf during a future Taiwan Strait crisis. To Beijing's annoyance, the Japanese and U.S. foreign and defense ministers participating in the February 2005 Security Consultative Committee (SCC) session publicly identified for the first time the "peaceful resolution of issues concerning the Taiwan Strait" as a "common strategic objective" in the Asia-Pacific region.<sup>31</sup> Chinese diplomats regularly denounce prominent Japanese political leaders who visit Taiwan or meet with Taiwanese government officials.<sup>32</sup> Chinese strategists particularly worry that Japan and the United States could share BMD technologies with Taiwan, negating Beijing's strategy of deterring the island's independence aspirations by threatening missile strikes in response to Taipei's assertions of greater autonomy.<sup>33</sup> Some observers have interpreted China's test of an ASAT weapon as a warning to the United States and Japan about the risks of intervening on Taiwan's behalf in any Beijing-Taipei confrontation.<sup>34</sup> Several major newspapers, the *Mainichi Shimbun* and the *Sankei Shimbun*, published editorials in late January warning that a Chinese ASAT capacity would allow China to threaten the surveillance satellites underpinning the missile defense systems under joint development by the United States and Japan.<sup>35</sup>

Over the long term, Chinese strategists worry that misguided U.S. pressure and assistance could lead the Japanese to exploit their technological and industrial potential to become a major military power, including by activating the country's latent nuclear weapons capacity. Chinese representatives fear that the DPRK nuclear test, along with North Korea's growing arsenal of ballistic missiles, will heighten Japanese interest in developing an independent nuclear deterrent. After the 9 October 2006 North Korean nuclear explosion led Japanese leaders to debate in public the possibility of acquiring nuclear weapons, He Yafei, the Chinese assistant foreign minister, warned: "If any country or any party tends to take advantage of the current nuclear issue on the Korean Peninsula to get involved or engaged in the research and development of nuclear weapons, then that is wrong."<sup>36</sup>

Japan already possesses the technology and capital to develop a nuclear arsenal, including a large stockpile of weapons-grade plutonium produced by its extensive civilian nuclear power program. Japanese engineers have also achieved substantial experience in manufacturing and us-

ing space-launch vehicles. Japan's acquisition of nuclear weapons could in turn precipitate a chain reaction of nuclear proliferation around China's periphery, including potentially in Taiwan, which would undermine Beijing's ability to conduct a conventional invasion of the island with any confidence. These Chinese concerns about Japan's possible future military ambitions are shared to some extent by other East Asian governments.

## **The Great Powers' Changing Policies toward the Korean Peninsula**

The following sections review the relations of China, Russia, and Japan with the two Koreas. Because other Korea Economic Institute publications have provided a comprehensive assessment of U.S. policies toward North and South Korea, this paper will not address them.

### **Chinese and Russian Anxiety over North Korea**

China and Russia share a concern with the evolving political, military, and economic situation on the nearby Korean peninsula. During the Korean War, the two countries jointly backed the DPRK regime with armaments, military advisers, and, in the case of China, hundreds of thousands of armed "volunteers." After the Sino-Soviet alliance collapsed in the late 1950s, the two countries competed for influence in Pyongyang. Beijing usually emerged preeminent, but both governments were frustrated with the unpredictable and reflexively xenophobic North Korean leadership. The DPRK regime finally balanced relations with its two great-power patrons to receive aid from both without committing to either. Today, although China and Russia share many objectives regarding the Korean peninsula, they continue to pursue largely independent policies toward North Korea.

Beijing remains Pyongyang's most important foreign partner. China provides essential food, energy, arms, and other economic and political support to the DPRK. According to one estimate, North Korea receives about 70 percent of its food and 70–80 percent of its fuel from China. An estimated 300,000 North Koreans reside in China.<sup>37</sup> Chinese trade and investment in North Korea now total about \$2 billion per year.<sup>38</sup> Despite worldwide protests, Chinese authorities continue their policy of forcefully repatriating political, economic, and religious refugees seeking to escape North Korea across the heavily guarded border separating the two countries. During the early 1990s, frictions arose between China and North Korea over Beijing's decision to develop relations with South Korea without requiring the United States to do the same with respect to North Korea, but the DPRK's own dialogue with Seoul has rendered this issue moot.

Both China and Russia have opposed North Korea's acquisition of nuclear weapons while simultaneously resisting international initiatives that they believe could create chaos on the Korean peninsula. Although the UN Security Council passed a resolution condemning North Korea's 9 October nuclear test, opposition from Russia and especially China forced the United States and Japan to abandon their efforts to push through a more strongly worded resolution that might have authorized the use of force. Since Beijing and Moscow desire a change in Pyongyang's behavior but not a change in its regime, their delegations successfully insisted that Security Council Resolution 1718, adopted on 14 October, aim less to punish North Korea retroactively than to modify its future policies. This resolution bans the transfer of material related to North Korea's nuclear, ballistic missile, and unconventional weapons programs. It also freezes the foreign assets and prohibits international travel of those individuals (and their family members) who are involved in the DPRK's nuclear, ballistic missile, and other weapons of mass destruction programs. Additional provisions prohibit the sale of all luxury goods to North Korea and give all countries the right to inspect cargo moving to and from North Korea in order to enforce the resolution. Resolution 1718 does not, however, obligate UN members to inspect DPRK-registered cargo or authorize them to enforce its provisions with military action.<sup>39</sup>

Chinese and Russian leaders were clearly angered by Kim Jong-il's defiance of Beijing's warnings against testing a nuclear weapon. Chinese sources claim that Pyongyang notified Beijing about the detonation only 20 minutes beforehand.<sup>40</sup> Reflecting this sentiment, the Chinese ostentatiously conducted some inspections of cross-border shipments and dispatched an envoy to Pyongyang to bring Kim Jong-il back into the fold. Chinese government officials also denounced the test, using unprecedentedly critical language.

Russian diplomats were even more vocal in their concerns. Warning Pyongyang not to conduct another test, Deputy Foreign Minister Alexander Losyukov said the DPRK's nuclear weapons program "threatened" Russia's interests.<sup>41</sup> On 5 February 2007, the Russian ambassador to South Korea, Gleb Ivashentsov, complained: "The site of the nuclear test by the DPRK on October 9th, 2006, is situated at the distance of just 177 kms to our border. We do not like that. We do not need in the proximity of our borders neither nuclear and missile tests nor saber-rattling by anyone."<sup>42</sup> The Russian delegation to the six-party talks has demanded that the DPRK dismantle its nuclear facilities at Yongbyon rather than simply suspend operations there in order to ensure the country's nuclear disarmament.<sup>43</sup>

Nevertheless, the Chinese and Russian governments remain more concerned about the potential immediate collapse of

the North Korean state than about its leader's intransigence on the nuclear question. Despite their differences with the Kim regime, Chinese and Russian leaders recognize that the DPRK's disintegration could induce widespread economic disruptions in East Asia, generate large refugee flows across their borders, weaken Chinese and Russian influence in the Koreas by ending their unique status as interlocutors with Pyongyang, potentially remove a buffer separating their borders from U.S. ground forces (that is, should the U.S. Army redeploy into northern Korea), and possibly precipitate a military conflict on the peninsula—which could spill over across their borders.<sup>44</sup>

In principle, Russia could endure North Korea's collapse more easily than China. Since Moscow has less-prominent bilateral relations with either of the two Koreas than do many of the other parties, the Russian government's security interactions with both Koreas occur primarily within the frameworks provided by regional and international institutions such as the six-party talks. Besides its designation as chair of the regional security architecture working group established to implement the February 2007 six-party agreement—a working group whose ultimate impact and duration remain uncertain—Moscow does not have a leadership role in any of these bodies despite decades of Soviet and Russian proposals to create various multinational institutions in East Asia.

During most of the 1990s, Russian policymakers under President Boris Yeltsin shunned the DPRK while they pursued better ties with South Korea. Moscow played a minor role during the first Korean nuclear crisis in 1993–94. Despite its pioneering involvement in North Korea's nuclear energy program, Russia did not join the new Korean Peninsula Energy Development Organization (KEDO) consortium, a multinational consortium established to construct two light-water reactors as part of the 1994 Agreed Framework. Russia declined to renew the 1961 Soviet–North Korean Friendship and Mutual Assistance Treaty, which had a military intervention clause, when it expired in September 1996. Lacking close ties with either Korea, Russia's status regarding the peninsula's security affairs deteriorated during the 1990s to that of an interested observer. It remained detached, for instance, from the four-party talks among China, the United States, and the two Koreas that began in September 1997.

Yeltsin's successor, Vladimir Putin, has tried to reestablish Russia's influence in East Asia, including with North Korea. In February 2000, the two countries signed a new bilateral cooperation treaty, which provided for consultations in the case of mutual threats. Putin suffered an embarrassment, however, on the one recent occasion when Russia launched its own diplomatic initiative regarding

the Korean crisis. In July 2000, a few days after visiting the DPRK, Putin announced at the Group of Eight (G-8) Kyushu-Okinawa summit that Kim Jong-il had told him the DPRK was prepared to abandon its ballistic missile programs in return for international assistance in creating a civilian space program. The North Korean government disavowed Putin's statement shortly thereafter.<sup>45</sup> Since then, Russian diplomats have tried to help advance the regional peace process—the DPRK, seeking to reduce its dependence on Beijing, insisted on Moscow's presence in the six-party talks—but have not made the issue a major priority.<sup>46</sup>

Russia's overall economic stake in North Korea is minimal. Soviet leader Mikhail Gorbachev's decision to convert all Soviet trade with socialist countries to a hard-currency basis, a practice continued by the Yeltsin administration, precipitated a sharp deterioration in commercial exchanges between the two countries. The level of bilateral trade, which predominately involves Russia's eastern regions, barely exceeded \$200 million in 2006.<sup>47</sup> In recent years, Pyongyang's main export to Russia has been the thousands of North Korean workers employed in Russia's timber industry. North Korean negotiators have indicated they want Moscow to write off the entire \$8 billion debt the DPRK incurred during the Soviet period.<sup>48</sup> Russian negotiators agreed to waive most of Pyongyang's debt as an incentive to secure Pyongyang's return to the six-party talks and to eliminate an obstacle to future economic cooperation.<sup>49</sup> Thus far, however, the unending Korean crisis has blocked the most potentially lucrative projects—plans to construct a trans-Korean railroad and connect it the Trans-Siberian line or build energy pipelines between Russia and South Korea across North Korean territory.<sup>50</sup> Under Putin, Russia has suspended all military sales to Pyongyang.<sup>51</sup>

Despite its modest ties with North Korea, Moscow would not soon welcome the abrupt collapse of the DPRK regime. Korean refugees could flow into the Russian Far East, worsening the region's already severe economic problems.<sup>52</sup> Most seriously, the DPRK's demise would likely reduce the substantial South Korean investment flows into Russia by redirecting them toward North Korea's rehabilitation and the peninsula's possible reunification. (Hoped-for Chinese investment capital would be less likely to materialize in this case as well.) A military conflict on the peninsula would, besides generating all the negative repercussions reviewed above, involve fighting among several nuclear powers near Russia's border, with the inevitable risk of unintended Russian casualties.

Almost any conceivable war would worsen Russia's relations with some of the parties to the conflict. For this rea-

son, Russians most favor applying the "Ukrainian model" to the nuclear crisis. In this scenario, Pyongyang would voluntarily surrender its nuclear weapons in return for economic assistance and security assurances from the other great powers.<sup>53</sup> After the 9 October DPRK nuclear test, Putin declared it was important not to back North Korea into a corner and leave it with no option but to raise tensions—the same argument he now makes regarding Iran.<sup>54</sup> Although Moscow's commercial and strategic ties are deeper with Tehran than with Pyongyang, the collapse of the DPRK regime would present more immediate problems for Russia given its proximity and pivotal position on the security agenda of China, South Korea, and Japan.

While China also gains little from its economic intercourse with the DPRK, North Korea's near-term disintegration would present Beijing with an even more serious challenge given China's greater dependence on flows of investment capital to East Asia and the presence of a larger Korean minority in China than in Russia. Even applying economic sanctions to the DPRK would present problems for Beijing because most bilateral economic intercourse benefits China at least as much as North Korea.<sup>55</sup> These considerations may explain why Chinese officials have adopted a higher profile than their Russian counterparts in managing the North Korean problem in recent years, especially through the six-party talks.<sup>56</sup> Beijing policymakers appear to have resigned themselves to dealing with Kim Jong-il for the future, while they hope a more accommodating DPRK leadership emerges eventually.

Chinese pressure, combined with a change in U.S. policy that allowed for direct bilateral negotiations with DPRK representatives and other concessions, helped secure an agreement at the fifth round of the six-party talks, which ended on 13 February 2007.<sup>57</sup> Under its terms, North Korea pledged to shut down and eventually dismantle its Yongbyon nuclear complex in return for food, economic aid, and the prospect of normalizing relations with the five other countries. The five working groups established to implement the February agreement have begun assessing how to achieve progress on the most important issues—U.S.-DPRK relations, Japan-DPRK relations, economic and energy cooperation, the regional security architecture, and North Korea's denuclearization. Chinese officials are also working with their U.S. counterparts to arrange for DPRK leaders to recover some of the millions in frozen funds held by the Bank of Macao.<sup>58</sup>

The long-term prospects of the 13 February 2007 agreement remain uncertain. The parties decided to postpone resolving some intractable issues, such as whether to provide the DPRK with civilian light-water reactors and what

North Korea must do with its stockpile of atomic bombs, whose very number is uncertain.<sup>59</sup> These compromises resulted in an ambiguous, complex, multiphase deal that could unravel at many points and in many ways. Critics doubt whether the DPRK government will fulfill its commitments or complain that a better deal was achievable years earlier, before North Korea resumed plutonium reprocessing and tested an atomic bomb.<sup>60</sup> Nevertheless, the accord appears to have ended the immediate crisis and established the basis for expanding cooperation among the signatories in other dimensions. In defending the agreement, Secretary Rice underscored that, by working with China and through the mechanism of the six-party talks, “we’re building a set of relationships.”<sup>61</sup>

### Improving ROK Ties with China and Russia

Chinese policymakers share many interests and objectives with their South Korean colleagues regarding the DPRK. Beijing and Seoul oppose North Korea’s acquisition of nuclear weapons but also hope to coax the regime out of its self-destructive isolation. The DPRK’s precipitous end would be an economic nightmare for both countries. It would drive investment capital away from the region while simultaneously requiring Beijing and Seoul to undertake a costly humanitarian relief and economic reconstruction program. In addition, China and South Korea share concern that North Korean policies are contributing to Japan’s remilitarization.

Most important, South Korean leaders agree with their Chinese counterparts about the chaos that would ensue from a rapid collapse of the DPRK regime. The two countries would have to assume the main burden of providing immediate humanitarian relief and sustained economic assistance at a time when both would suffer the most from the deteriorating investment climate. Influential people in both countries fear that rash U.S. actions might precipitate a war in their neighborhood. In hopes of avoiding such an outcome, they mutually favor an approach that reassures the DPRK leadership about its security. They also want to promote economic reform in North Korea as well as integrate the country into East Asian economic processes. Such developments could help stabilize North Korea in the short term while providing incentives and leverage for moderating its foreign policy over the long term.

Mutual economic interests as well as common political goals facilitate Beijing-Seoul cooperation. The flow of investment and exports and the exchanges of students, tourists, and businesspeople between China and South Korea have exploded in recent years. Bilateral trade between Seoul and Beijing reached \$90 billion in 2004, a 42 percent increase from 2003, when China surpassed the United States

as South Korea’s largest trading partner.<sup>62</sup> Although the rate of trade expansion has since slowed, and ROK manufacturers have expressed some alarm at the strengthening Chinese competition in domestic and world markets (including in steel, electronics, and shipbuilding), mutual Chinese-ROK economic ties and interests remain substantial.<sup>63</sup>

Another reason Beijing has been cultivating relations with Seoul is to discourage South Koreans from developing overly close relations with Taiwan. In addition, by developing good economic and political relations with South Korea, Chinese policymakers hedge against the possibility that, at some point, South Korea will absorb North Korea without a major war (repeating Germany’s experience in the 1990s). Maintaining good relations with Seoul could help limit Japanese and U.S. influence in any newly reunited Korean state.

At the popular level, opinion polls suggest that many South Koreans have a fairly positive attitude toward China, while their views of the United States have become more negative.<sup>64</sup> South Korean policymakers, however, appear to hold a more guarded assessment of China’s intentions and activities toward the peninsula.<sup>65</sup> Some South Koreans worry about Beijing’s excessive presence in North Korea in particular.<sup>66</sup> The rapid escalation of an early 2004 dispute involving differing interpretations over the ethnic origins of the ancient Goguryeo kingdom highlighted the persistence of complex historical animosities between Chinese and Koreans.<sup>67</sup>

Russia’s relations with South Korea have also improved considerably during the past decade. Like China, Russia and the ROK favor a “soft landing” for the DPRK regime—a gradual mellowing of its domestic and, especially, its foreign policies, including the renunciation of nuclear weapons. South Korean President Roh Moo-hyun echoed Putin’s observation that North Korea developed nuclear weapons in response to U.S. threats and in order to induce Washington to engage in a dialogue.<sup>68</sup> Such a benign outcome would circumvent all the feared consequences of precipitous regime change described above—humanitarian emergencies, economic reconstruction, arms races, and military conflicts.

It would also allow for the continued growth of Russian-ROK commerce, which approximated \$9 billion in 2006. The trade involves primarily the exchange of Russian oil and gas in return for South Korean machinery and equipment, but the ROK does purchase some Russian defense equipment. Since 1996, Russia has supplied tanks, combat vehicles, and military helicopters to the ROK military as partial payment of Russia’s \$2 billion debt to the ROK. The two governments plan to conduct joint naval exercises later this year.<sup>69</sup> Although not of paramount importance to

either party, such comprehensive bilateral ties provide both countries with leverage in their relations with other parties. From Moscow's perspective, ties with South Korea also help reaffirm Russia's status as an important actor in East Asia after a period (the 1990s) when many observers questioned whether Moscow remained a regional player.

### **Japan and North Korea: A Relationship Held Hostage?**

Most Japanese would probably favor a change in the DPRK regime if it occurred through nonmilitary means. Concerns about North Korea's expanding ballistic missile and nuclear weapons capacities prevail throughout the country. At the elite level, Japanese leaders have made promoting democracy a fundamental theme of Japanese diplomacy that underscores the clash of values separating Tokyo and Pyongyang.<sup>70</sup> In addition, Japanese officials and the public alike remain outraged by the DPRK's past abductions of Japanese citizens and other illegal North Korean activities in Japan. During the unprecedented September 2002 summit with Prime Minister Junichiro Koizumi, Kim Jong-il admitted that Pyongyang had kidnapped more than a dozen Japanese citizens between 1977 and 1983 to serve as language instructors for DPRK intelligence agents. The acknowledgment backfired when an outraged Japanese government and public opinion demanded more information about the issue than the still secretive North Korean leadership proved willing to provide.<sup>71</sup> After the DPRK's July 2006 ballistic missile tests and its October 2006 detonation of a nuclear device, the Japanese government progressively expanded its range of sanctions on North Korea.<sup>72</sup> The Japanese Foreign Ministry characterizes its approach toward the DPRK as "dialogue and pressure."<sup>73</sup> In response, the DPRK has accused Tokyo of using the abductee issue to justify anti-Pyongyang policies and has periodically tried to exclude the Japanese government from the six-party talks.

Despite mutual Japanese-American antipathy toward the Kim regime, recent months have seen a modest divergence in the positions of the United States and Japan toward North Korea. The Bush administration now seems more willing to yield on other issues in order to halt North Korea's nuclear weapons development program. In contrast, despite criticism at home and abroad, the Japanese government adamantly refuses to normalize relations with the DPRK or provide substantial financial assistance in support of the February 2007 denuclearization accord without meaningful progress in resolving the abduction question as well as the nuclear weapons issue.<sup>74</sup> The March 2007 working group meeting between Japanese and DPRK representatives quickly broke up when neither country yielded on the abductee issue or other differences.<sup>75</sup>

Japan and the United States have required lengthy bilateral negotiations in recent months to resolve their differences over whether to remove the DPRK from the U.S. list of state sponsors of terrorism. U.S. authorities added Pyongyang to the list after government investigators concluded that North Korean agents were responsible for the 1987 bombing of a South Korean civilian airliner, which killed all 115 people on board. DPRK negotiators have long demanded the removal because their designation requires the United States to veto proposed International Monetary Fund and World Bank assistance to the DPRK. It also excludes U.S. arms sales to North Korea and restrains economic assistance. Japanese officials, citing the unresolved abduction issue, would consent only to Washington's beginning the process of removing the DPRK from the list.<sup>76</sup>

### **Japan and South Korea: The Burdens of History**

Japan's relations with the ROK, while better than Tokyo's ties with the DPRK, also remain troubled. Many in Japan have become concerned that South Korean leaders have adopted a position of nearly unconditional engagement with North Korea and China, while they seek to relax security ties linking South Korea to Japan and the United States. A visible example of their diverging perspectives occurred in their differing responses to the DPRK's July 2006 ballistic tests. Whereas Japan adopted comprehensive sanctions in retaliation for what it perceived as a significant deterioration in its regional security environment, President Roh Moo-hyun downplayed the threat by arguing that the range of the missiles was too great to threaten South Korea but too short to reach the United States, conveniently ignoring their potential use against Japanese targets.<sup>77</sup> South Korean officials—who estimate that DPRK agents have kidnapped thousands of ROK citizens since the 1953 armistice and still hold hundreds of them (primarily fishermen)—express little support for the Japanese decision to freeze negotiations with North Korea over a far smaller number of abductees.<sup>78</sup> Japanese policymakers also worry about the perceived weakening of the U.S.-ROK defense alliance that Tokyo has long seen as a core buttress of its regional security. These recent security developments have stimulated Japanese interest in acquiring greater national military capabilities, including the ability to conduct independent operations against North Korean missile systems potentially aimed at Japan.<sup>79</sup>

ROK leaders have made clear their unease at Japan's expanding capacity to project military power onto the Korean peninsula. Many South Koreans still denounce the brutal Japanese occupation of Korea that occurred before and during World War II. The issue of compensating South Korean "comfort women" and forced laborers remains un-

der discussion between the two governments. South Koreans worry that the new generation of Japanese leaders will show less repentance about past Japanese policies than the cohort that governed Japan during the Cold War. In December 2005, President Roh Moo-hyun cancelled a planned ROK-Japan bilateral summit with Prime Minister Junichiro Koizumi in retaliation for his visits to the controversial Yasukuni Shrine.<sup>80</sup> Many Asians perceive the shrine as a memorial to Japanese militarism because it holds the remains of convicted World War II-era war criminals as well as soldiers who died in Japan's wars of occupation in China, Taiwan, and Korea. Like the Chinese, South Koreans criticize Japanese history textbooks for trying to whitewash Japan's past behavior.

A more contemporary concern among South Koreans is that Japan's expanding military capacities might lead North Korea and China to accelerate their own military buildups, to the potential detriment to ROK security. South Korea and Japan also contest the sovereignty of the Dokdo-Takeshima Islands, which provide rich fishing grounds. The island dispute unexpectedly escalated in the spring of 2006, when ROK gunboats intercepted Japanese research vessels attempting to conduct a maritime survey of the surrounding area.<sup>81</sup>

Whatever the merits of the various ROK-Japan disagreements, they tend to have a self-reinforcing domestic effect because Japanese and South Korean political leaders have an incentive to adopt hard-line positions to appeal to nationalist sentiments among their electorates. Since assuming office, the Abe administration has made a strenuous effort to improve ties with South Korea. On 20 October 2007, shortly after the DPRK nuclear test, the Japanese, ROK, and U.S. foreign ministers held their first formal trilateral meeting since October 2000. Nevertheless, the fundamental differences over how to manage North Korea, ROK-Japan territorial differences, and contesting views of history likely will burden Tokyo-Seoul relations throughout Prime Minister Abe's tenure.

### **The Way Ahead: Beyond the Six-Party Talks**

The conflicting nature of the China-Russia and U.S.-Japan alignments presents the two Koreas with a challenging regional security environment. Whatever the fate of North Korea and its nuclear weapons capabilities, the East Asian security situation will remain prone to problems.<sup>82</sup> Tensions will likely persist between the Koreas and their neighbors for a variety of reasons, including their contentious historical interactions, continued economic disputes, the absence of robust multilateral security institutions, and overlapping territorial claims.

### **Problematic Partnerships**

These differences will work against the tighter integration of either North or South Korea into either alignment. Although this situation provides both states with some maneuvering room, it does not shield them from possible entrapment in the negative consequences that would ensue if two hostile blocs confronted each other in East Asia. South Koreans already worry about potential Japanese-U.S. attempts to align them against China, such as in a future Taiwan conflict. Similarly, the DPRK leadership has long sought to establish bilateral contacts with Washington rather than rely exclusively on Chinese and Russian intermediaries.<sup>83</sup> In addition, the loose affiliation of the two Koreas in the two blocs exacerbates their fears of security abandonment. One motivation for North Korea's pursuit of nuclear weapons might have been to bolster the DPRK's defenses should China and Russia decide not to support Pyongyang in a future conflict with Seoul and its Japanese and U.S. allies.<sup>84</sup>

The perverse logic of the security dilemma and other balance-of-power considerations also complicates security relations in the region of the Korean peninsula. The measures that China, Japan, or Russia adopt to enhance their military defenses in East Asia typically increase the potential threats they pose to their neighbors. The advent of a united Korea, especially one that possesses enhanced power projection capabilities or nuclear weapons, even if only for defensive reasons, could easily cause Japan and other Asian countries to bolster their own defenses in response. Decision makers in China, Japan, and Russia can readily identify past periods in which they experienced serious threats emanating from the Korean peninsula. Conversely, the last time that both China and Japan possessed substantial military forces, they fought a war in (and over) Korea.

Despite the strained relations between South Korea and its U.S. and Japanese partners, the relationship between China on the one hand and Japan and the United States on the other appears the most problematic for regional security over the long term. Policymakers in Beijing and Tokyo will invariably encounter friction as each country works to restructure the international politics of East Asia to its benefit. The logic of great-power rivalry encourages China to seek to weaken Japan's position, including its alliance with the United States. The Japanese, for their part, invariably worry about China's rising economic, political, and military power relative to Japan and Washington. Both Tokyo and Beijing fear that Washington will move too closely toward the other country. Russia's weaker position in East Asia has thus far distanced Moscow from this power transition struggle, but that variable might change as Russia

continues to strengthen economically and militarily and as China, Japan, and other Asian nations become increasingly dependent on Russian energy sources.<sup>85</sup>

### **But Incentives for Cooperation**

Yet, the need to respond to the DPRK's nuclear program has created opportunities for improved relations between China and both Japan and the United States. Perhaps the most important difference between the 1994 Agreed Framework and the February 2007 denuclearization accord is that the Chinese government has been considerably more involved in supporting the current settlement. From Beijing's perspective, a successful outcome to the six-party process would both eliminate the problems that a North Korean nuclear arsenal would present for China and help reinforce perceptions of Beijing as a committed and influential regional security stakeholder. In addition, Chinese security analysts may be uncomfortable with the Washington-Tokyo security alignment, especially U.S. efforts to induce greater Japanese foreign policy activism.

On balance, however, many still appreciate the value of U.S.-Japanese security ties in restraining a resurgence of Japanese militarism or Tokyo's possible construction of an independent nuclear deterrent, both developments that the DPRK nuclear crisis might otherwise provoke.<sup>86</sup> Similarly, Russian and U.S. leaders have cited their cooperation in managing the North Korean nuclear dispute as evidence that, despite their many bilateral differences, the two governments can continue to work together in solving important international security issues.<sup>87</sup>

The parties engaged in the six-party process also recognize that any sustained effort to integrate North Korea into the region's security and economic structures—seen as essential in the short term for preventing nuclear recidivism and in the long term for promoting the regime's transformation into a less threatening foreign policy actor—will require multinational burden sharing. No single country can provide North Korea with unilateral security assurances sufficient to induce the DPRK leadership to halt its ballistic missile and nuclear weapons development programs. Similarly, the costs of reforming the North Korean economy are so great as to require a multinational rescue effort. In the absence of integration and reconstruction, an impoverished and isolated North Korea would likely seek nuclear weapons again—and engage in other disruptive and illicit activities—to gain international attention and money as well as deter foreign threats against it.<sup>88</sup>

More generally, the Asia-Pacific countries recognize that their economic development requires a stable regional security environment, with disruptive crises over disputed

territories or commercial activities kept to a minimum. The level of commercial interdependence among South Korea, China, Japan, and the United States has become so great that any security-induced disruptions would seriously damage the global economy. All three of the Asian governments appreciate in principle that achieving regional peace and prosperity requires them to maintain tolerably good mutual relations, but clashing views on specific issues sometimes distract them from this goal.

Nevertheless, the problems that North Korea's nuclear and missile programs have presented for security relations in East Asia have underscored the inadequacies of the current multilateral security institutions—aptly described as a spaghetti-bowl architecture—in highlighting mutual interests or dampening competitive pressures among regional governments. Many traditional bilateral disputes (for example, China-Japan, China-Taiwan, Russia-Japan) fall outside the purview of existing institutions, making them harder to solve, while some new challenges—most notably terrorism and humanitarian disasters—engage multiple institutions with overlapping jurisdictions and programs. Yet, attempts to establish a more orderly regional security architecture, whether based on European templates or tailored designs seeking to reflect Asia's distinct values and other conditions, have made only modest progress in the face of widely divergent national views regarding such essential questions as what agenda they should pursue, which norms they should uphold, which countries should participate, and who should bear which burdens.<sup>89</sup>

### **ASEAN**

At present, the Association of Southeast Asian Nations (ASEAN) and its various extensions represent the most comprehensive regional institution. Its most important supplementary institutions include the ASEAN Regional Forum (ARF) and the ASEAN + 3 group, which includes China, Japan, and South Korea. Although DPRK government officials have participated in the ARF since 2000, no ASEAN government has proposed offering North Korea formal membership in ASEAN itself.<sup>90</sup> Such a step would entangle ASEAN governments in a major unresolved conflict and would run counter to the desire of many members to require some minimal commitment to democratic principles by ASEAN governments. Furthermore, the organization is trying to integrate its newest members—Burma, Cambodia, Laos, and Vietnam—into its structures. Like North Korea, these countries have weaker economies and more authoritarian political systems than most ASEAN states.

The difficulties that member governments experience when attempting to employ ASEAN to manage divisive issues

highlight the drawbacks of relying on overly inclusive security institutions. The extraordinary diversity of ASEAN members represents a strength in some respects, but differences among members have complicated their attempts to adopt a unified approach regarding contentious security questions. Even when all members agree in principle, such as on the need to counter regional terrorist threats, their diverse political structures, legal codes, geographic locations, and physical and population resources have delayed progress in developing common policies. In addition, despite current efforts to adopt a new charter and a counterterrorism convention, ASEAN remains a weak security institution that depends on external military powers—such as Australia and the United States in the 1999 East Timor conflict—for managing major security challenges.

### Track-Two Initiatives

Less formal track-two initiatives could supplement government-to-government-level interactions on issues of a sensitive and largely intractable nature. Disputes over interpretations of past events, for example, should probably be addressed by nongovernmental groups of professional historians. When Abe and Chinese President Hu Jintao met in Beijing in 9 October 2006, they agreed to establish a binational commission of Chinese and Japanese experts to study the history of Sino-Japanese relations. On 16 November, it was decided that 10 scholars from each country would produce a joint assessment of three periods—medieval, early modern, and contemporary history—by 2008. The commission held its first session in Tokyo at the end of December 2006.<sup>91</sup>

Other track-two exchanges could involve the new post-Cold War generation of political leaders who are emerging in all the Asian countries. Abe himself, for instance, recently became the first Japanese prime minister born after the end of World War II. Interacting with their foreign cohorts will promote mutual (though not necessarily shared) understanding as they assume greater influence over national policymaking. Nevertheless, at some point such track-two initiatives require official support to have a significant impact on state behavior.

### Whither the Six-Party Talks?

Institutionalizing the six-party talks (perhaps as a five-party mechanism without North Korea as a full member) or taking other steps to restructure East Asia's multinational institutional architecture might improve the management of regional issues.<sup>92</sup> One of the current working groups will explicitly address regional security issues within the framework created by the six-party talks. Its Russian chairman,

Deputy Foreign Minister Alexander Losyukov, said that his government will “propose focusing on measures to ensure smooth six-party talks and create a friendly atmosphere, and in the longer term we will seek to set up a body to tackle security issues in northeastern Asia.”<sup>93</sup>

Despite the intent of the Russian and other governments, transforming the six-party mechanism into an effective Northeast Asian security institution with sufficient resources and authority—or possibly using it as the foundation for a larger East Asian security architecture—could take years. The participants' immediate preoccupation will invariably be enforcing a series of short-term deadlines. The first major hurdle will be the 60-day Initial Action Agreement that, if successfully implemented, will be followed by additional strictly sequenced phases. Their timely fulfillment is seen as essential for generating forward momentum toward achievement of the denuclearization agreement.<sup>94</sup>

Another factor constraining the possible application of the existing six-party mechanism is that U.S. officials have already indicated they envisage only the two Koreas, China, and the United States as the appropriate participants in any comprehensive peace settlement that might replace the 1953 Korean War armistice after realization of the denuclearization agreement.<sup>95</sup> These countries might find it useful, however, to keep Russia and Japan engaged in the Korean peace process on some other basis. Russian and Japanese officials are deeply concerned about security developments on the peninsula and have made clear their intent to remain engaged in Korean security issues. Their proximity and influence (Russia at least has veto rights in the UN Security Council) would make their involuntary exclusion challenging. In addition, the two countries might provide essential support for the denuclearization process. Japan might contribute money, while Russia could provide oil, gas, and nuclear expertise. Furthermore, Moscow's involvement in Korean affairs helps reassure Pyongyang about becoming overly dependent on China. Achieving the declared objective of a nuclear-free Korean peninsula will require a favorable regional security environment in which Japan and Russia will play important, if subordinate, roles.

Beyond the six-party talks and the North Korean nuclear issue, the most fruitful mode of promoting security cooperation in East Asia during the next few years will probably consist of less formal coordinating mechanisms involving only the most interested and influential governments. The six-party talks, as presently organized, demonstrate the value of minimally formalized, moderately inclusive structures created to address discrete issues. For example, the six-party mechanism has proved sufficiently flexible to enable the United States to deal with North Korea

bilaterally (meeting a key DPRK demand) within a multi-lateral framework that encouraged compromises among governments whose representatives feared being outnumbered or seen as an obstacle to progress.

Rather than attempt to extend the existing six-party talks to encompass new issues, however, it would probably prove easier in most cases to organize a new structure tailored to the specific subject. The institutional mechanism should include only those countries most interested in, and important for, addressing the issue at hand. Their exclusive nature should accelerate progress because in order to act they would require the consent of only a limited number of governments. A prime example was the rapid establishment of the “core group”—involving Australia, India, Japan, and the United States—to manage the initial response to the December 2004 Asian-Pacific tsunami until the United Nations could organize a more comprehensive effort. South Korea, with one of the world’s most powerful economies and expanding regional security interests, would probably be a member of many of these “coalitions of the willing.” The DPRK, except when its behavior itself constituted part of the problem, would probably not.

### **Energy Security**

In the near term, collaborating on energy security might provide the most fruitful opportunity for such tailored multilateral mechanisms. The governments of China, Japan, the United States, and the Koreans are all concerned about access to secure energy supplies at a time when world prices for oil, gas, and uranium are soaring. Although disputes over national jurisdiction over territories potentially rich in energy resources will continue, the countries share an interest in increasing energy production, countering threats to energy supplies (for example, through enhancing maritime security), and reducing the growth of energy demand through measures aimed at improving energy conservation and efficiency.

In December 2006, energy ministers from the leading Asia-Pacific oil-importing countries—China, India, Japan, South Korea, and the United States—agreed to enhance their mutual energy security through several joint initiatives. Proposed areas for cooperation under the auspices of the Five-Party Energy Dialogue include developing alternatives to oil and gas, coordinating strategic oil stocks, and collectively acting to secure the region’s maritime commercial routes and critical infrastructure.<sup>96</sup> According to Ma Kai, chairman of the State Development and Reform Commission, China’s main energy policymaking body, “we want to send out an important, positive message, which is: the world’s key energy consuming countries plan to strengthen mutual cooperation.”<sup>97</sup>

Energy cooperation has become a prominent agenda item for other regional security institutions as well. In January 2006, Australia, China, India, Japan, South Korea, and the United States established the Asia-Pacific Partnership on Clean Development and Climate (AP6) to enhance cooperation on energy conservation outside the Kyoto Protocol. Under its framework, the AP6 governments pursue measures to induce the private sector to create and disseminate innovative technologies aimed at promoting energy security and sustainable economic development as well as reducing greenhouse-gas emissions and addressing other environmental problems.<sup>98</sup>

Similarly, on 15 January 2007, the 10 ASEAN countries met with Australia, China, India, Japan, New Zealand, and South Korea in the second annual East Asia summit. At the session, the participants signed a Declaration on East Asian Energy Security that endorsed a variety of objectives and cooperative measures aimed at increasing energy conservation and efficiency.<sup>99</sup> Foreign Minister Alexander Downer of Australia, which will host the 2007 meeting of Asia-Pacific Economic Cooperation (APEC), has already indicated that energy cooperation will be a “very significant focus” of the work plan.<sup>100</sup> Possible areas for future multinational collaboration could include coordinating national strategic energy reserves, developing improved energy databases, researching alternative sources of energy, and bolstering maritime security against pirates, terrorists, and other nontraditional threats.<sup>101</sup>

The prospect of cooperating on oil, gas, and nuclear energy is even helping to ameliorate the traditionally strained relationship between Japan on the one hand and Russia and China on the other. Tokyo and Moscow are assessing whether Russia can provide uranium enrichment and other nuclear services for Japan, while China and Beijing have discussed jointly exploiting the undersea oil and gas resources between their mainlands.<sup>102</sup> If the North Koreans insist on obtaining foreign-made light-water nuclear reactors in return for abandoning their nuclear weapons program, then the other parties might need to resurrect something like the KEDO, though possibly with a different membership composition and funding mechanism.<sup>103</sup>

### **Nuclear Nonproliferation**

The response to the October 2006 DPRK nuclear test shows that, despite Pyongyang’s crossing of yet another “red line,” many of the region’s governments do not see North Korea’s acquisition of nuclear weapons as an existential threat.<sup>104</sup> During her 17–22 October 2006 trip to the other countries participating in the six-party talks (not including North Korea), Secretary Rice was able to mobilize unqualified backing for this position in Tokyo, but she found far less

support in Beijing and Moscow. Chinese and Russian officials made clear they would enforce only limited, non-military sanctions against North Korea in an effort to roll back the DPRK's nuclear program. Seoul's reaction also made clear that many South Korean officials saw the test as yet another example of North Korean misbehavior rather than as marking a major deterioration in their security situation.

Although differences persist among the other governments regarding the nuclear challenge emanating from North Korea (and Iran), opportunities exist for them to cooperate even in this divisive area. Developments in North Korea and elsewhere have engendered widespread recognition that the existing nuclear nonproliferation structure needs a major overhaul to deal with the spread of civilian nuclear programs and the emergence of transnational proliferation networks operating independently of national governments.

In addition, opportunities for national nonproliferation log-rolling exist. Whereas the United States is clearly more concerned than China or Russia about the nuclear aspirations of North Korea and Iran, Russian officials have long worried that Pakistan might serve as a proliferation source, while the Chinese government does not want Japan or Taiwan to develop nuclear weapons. Chinese security experts have also expressed concern that terrorists might acquire a North Korean nuclear explosive device and use it inside China.<sup>105</sup> Beijing has accordingly taken steps to strengthen its nuclear export control regulations to address the threat of nuclear terrorism. On 9 November 2006, Premier Wen Jiabao of the PRC signed new nuclear export control regulations intended to provide the Chinese government with more control over the end use of exported nuclear technology. A new provision requires governments importing Chinese nuclear equipment to seek Beijing's consent before attempting to use the technology to enrich uranium to a level above 20 percent.<sup>106</sup> In Japan, most people would still prefer a world that had fewer nuclear weapons states than one in which Japan became one of many nuclear powers.

These cross-cutting concerns mean that the four external nuclear powers most involved in Korea will likely continue to cooperate on nuclear nonproliferation issues. In practice, all the countries besides the DPRK have begun cooperating on nonproliferation issues, most notably within the framework of the Global Initiative to Combat Nuclear Terrorism. The Russian and U.S. governments launched this endeavor at the July 2006 G-8 summit in St. Petersburg. China and Japan joined a few months later. The Global Initiative coordinates activities aimed at enhancing partners' ability to deter, detect, prevent, and respond to threats of nuclear terrorism. They include projects to secure dangerous radioactive sources, deter nuclear smug-

gling, and improve national and multinational law enforcement efforts. In principle, membership in the initiative is open to any country or organization committed to combating the proliferation of nuclear materials and reducing the risks of nuclear terrorism.<sup>107</sup>

On 12–13 February 2007, the 13 participating nations held a meeting at the Ministry of Foreign Affairs in Ankara, Turkey. Attendees included observers from the International Atomic Energy Agency and representatives from all the G-8 industrialized states as well as Australia, China, Kazakhstan, Morocco, and host-nation Turkey.<sup>108</sup> The Ankara participants adopted a work plan to guide implementation of their statement of principles and discussed which concrete activities to pursue under the initiative.<sup>109</sup> The envisaged activities could include international exercises, expert-level meetings and exchanges, and other forms of mutual assistance intended to enhance accountability concerning the location of nuclear materials, bolstering security at nuclear facilities, and combating financial activities related to nuclear trafficking.<sup>110</sup>

Unlike the more controversial Proliferation Security Initiative (PSI), which focuses on impeding the transfer of dangerous weapons to rogue states like China's ally, North Korea, the Global Initiative to Combat Nuclear Terrorism aims primarily to deny terrorists access to nuclear materials—an objective that even Beijing endorses. The government of Kazakhstan will host the next set of meetings of the global initiative in its capital later this year.<sup>111</sup>

The parties should use the interim period as an opportunity to entice South Korea, which has also declined to join the PSI in light of its special position regarding North Korea, to enter the Global Initiative to Combat Nuclear Terrorism as a full participant.<sup>112</sup> Despite Pyongyang's past support for terrorism, moreover, it is even possible that DPRK leaders would accept assistance through the initiative, given the risks of blowback if North Korean nuclear materials were obtained by groups beyond Pyongyang's control. Russia, China, or both countries could condition any nuclear energy assistance to North Korea—such as jointly run civilian power facilities located along their mutual border and open to international inspection—on Pyongyang's adopting the initiative's principles.

## Conclusion

Achieving progress on East Asian security issues involving the two Koreas is vital. The Koreas occupy a pivotal position in global security. In the past, the Korean peninsula served as the battlefield for aspirants to regional hegemony. At present, the peninsula, along with the nearby Taiwan Strait, represents the most likely location of a pos-

sible nuclear war. A major military conflict in North Korea, even if it did not involve the use of nuclear weapons, would threaten a serious deterioration in relations among the world's great powers. In addition, a great-power war in Korea would disrupt economic activity in one of the core regions of the international economy.

Conversely, exploiting the opportunities presented by the unprecedented level of great-power cooperation on the Korea nuclear issue could help transcend existing regional alignments to address some of the main problems that will dominate the international security agenda for the next decades and beyond. Promoting energy security, counter-ing nuclear proliferation, and successfully managing other transnational challenges will require an energetic contribution from East Asian states regardless of their present alignments and antagonisms.

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104. By definition, such a threat is so grave as to pose a threat to their very existence. For this reason, it would normally justify all measures, including military force, to counter.
105. Eric A. McVadon, “Beijing’s Frustrations on the Korean Peninsula,” *China Brief* 7, no. 4 (21 February 2007), 7.
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111. “Kazakhstan Took Part in Summit on Global Initiative to Combat Nuclear Terrorism,” Kazinform, 13 February 2007, [www.inform.kz/showarticle.php?lang=eng&id=148513](http://www.inform.kz/showarticle.php?lang=eng&id=148513).
112. South Korean officials have said they support the “principle and purpose” of the PSI but cannot formally participate because of the “unique circumstances of the Korean peninsula”; cited in Donald G. Gross, “North Korea Tests a Nuke and Returns to the Six-Party Talks,” *Comparative Connections* 4, no. 8 (January 2007): 46, <http://www.csis.org/media/csis/pubs/0604q.pdf>.



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