

JPI Research Series 20

2011 JPI PeaceNet Series

Dialogue for Peace and Cooperation in East Asia

Edited by Jeju Peace Institute

NEULPUMPLUS

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Jeju Peace Institute

227-24 Jungmungwangwangro, Seogwipo City,
Jeju Special Self-Governing Province, 697-120, Korea
Tel +82-64-735-6500 **Fax** +82-64-735-6512
E-mail jejupeace@jpi.or.kr <http://www.jpi.or.kr>

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39-1 Pil-dong 1-ga, Jung-gu, Seoul, Korea
Tel +82-70-7090-1177
E-mail go5326@naver.com

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The views expressed here are those of the authors and do not reflect the position of the Jeju Peace Institute.

Preface

The Jeju Peace Institute (JPI), which is dedicated to the pursuit of peace and cooperation in East Asia, has used JPI PeaceNet as a forum since 2009 to gather opinions on diverse subjects, facilitate communication, and engage in exchanges and cooperation with surrounding nations in the region. We believe that JPI PeaceNet faithfully played such a role in 2011 as well. JPI is committed to further strengthening and developing JPI PeaceNet to that end.

In 2011, we saw great uncertainties in the realm of international relations, as well as witnessing considerable efforts to address such problems. Despite the ardent efforts, the Six-Party Talks did not make real progress in addressing the North Korean nuclear crisis, which continues to pose a threat to peace on the Korean Peninsula. Europe's financial crisis, which has led to a world economic crisis, is being discussed by major nations desperate to find a solution, which has yet to be hammered out. JPI's new research issues will likely include political changes in East Asia, including the expected reshuffling of leaders in major nations such as South Korea in 2012, a rising China, and the USA's shift towards a policy of making Asia its top priority.

Last year, JPI endeavored, through JPI PeaceNet, to lead the discussion of such issues as peace and cooperation among major scholars and policy-makers in East Asia. Contributors to JPI PeaceNet, whose writings were published and shared via the Internet, as well as constructive commentators, served

the main purpose of JPI PeaceNet well. The written work of these experts made it possible to share new policies and ideas and to exchange diverse opinions.

The precious writings contributed to JPI PeaceNet were published as a book. As such, I would like to extend my sincere thanks to the contributors for their valuable efforts. JPI was ranked 12th in an evaluation of South Korean think tanks conducted by the weekly magazine *Hankyung Business* in 2011. JPI was recognized for its efforts to propose policies and measures aimed at achieving peace and cooperation on the Korean Peninsula and in East Asia.

I would also like to offer my sincere thanks to JPI's staff members for their dedicated efforts in compiling and publishing these excellent writings in book form. My deep gratitude also goes to all those who offered advice and suggestions for the development of JPI PeaceNet. Lastly, I would like to extend my heartfelt thanks to CEO Jun Mi-jung of Neulpum Plus, the publisher of JPI's research writings.

December 2011

President of the Jeju Peace Institute

Han Tae-kyu

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PeaceNet

Part I

Two Koreas in the
Korean Peninsula

The Impact of South Korea's Psychological Warfare on the North Korean Regime

KANG Cheol-hwan

Chosun Ilbo's Northeast Asia Research Institute

I was detained in the Yodok Political Prison Camp in North Korea. One day in 1984 or 1985, I and a number of other inmates happened to catch some balloons sent to the North by South Koreans. That moment still remains vivid in my memory. A rectangular box attached to a large balloon contained propaganda leaflets and various articles, such as underclothes, food supplement pills, beef jerky, and ramyeon (instant noodles). It was an amazing sight for us inmates. Made of a special vinyl material, the colored leaflets were water-proof, tear-proof and even fire-proof.

The political prison camp in North Korea was totally cut off from the outside world. The inmates were completely in the dark about what was happening in their country, not to mention what was happening

in foreign countries. For them, the leaflets sent by South Koreans were a pleasant surprise. Such leaflets were the only means by which the inmates of the political prison camp could get any information about the world outside the camp. We inmates took solace in the fact that South Koreans knew about the existence of political prison camps in the North. It goes without saying that the leaflets were regarded as a serious threat by the State Security Department of the North.

Even after being released from the prison camp in 1987, I had opportunities to see leaflets sent from the South. In early 1990, thousands of people, including me, were attending a gathering held in a plaza in Yodok. Balloons sent from the South burst over our heads. People scrambled ahead of each other to get the leaflets carried by the balloons. The whole place broke into pandemonium in an instant. The authorities forced the people to leave the place, as they had to collect the leaflets in a hurry. The leaflets informed us that a group of North Korean students studying in Eastern Europe had defected to the South, and we were shocked at such news.

■ Effects of the Leaflets Sent from the South

As a society that controls the flow of information to an extreme degree, North Korea prohibits its people from getting news about the outside world by radio or any other means. Any violation of this prohibition is regarded as state treason. Any attempt to criticize the Kim family including Kim Il-sung and Kim Jong-il, is punishable by

death. Thus, a statement criticizing the Kim regime contained in a leaflet can cause an uproar. A small, disrespectful memo posted on the fence of a house puts the regional office of the State Security Department into a state of emergency.

For people in the North, any disrespectful remark about the “Kim dynasty” is simply an unthinkable thing. Statements about the leader’s private life leave people feeling more than upset. It is clear that the regime is afraid that the facts about Kim Jong-il’s women, the sumptuous foods enjoyed by him, and the atrocious acts perpetrated by him will make the military less loyal to him. The regime keeps people under strict surveillance to make it impossible to start any group action. The regime is very sensitive to any information that might foster an atmosphere conducive to a popular uprising against the Kim dynasty.

The South Koreans’ spreading of leaflets to the North using large balloons was first targeted at political prison camps in inland areas in the North. Then, the activity was expanded to Pyongyang and areas along the DMZ in 1994. At that time, the North could not provide sufficient food, even to the troops deployed along the DMZ, although they were given priority. Under such difficult circumstances, balloons containing information leaflets and food went a long way towards weakening the troops’ Juche (self-reliance) philosophy which the North’s regime has so often bragged about. The North’s troops deployed along the DMZ were gradually awakened to certain facts about their regime by the information sent by South Koreans. However, South

Korea's Kim Dae-jung administration (1998-2003) put a stop to the distribution of leaflets to the North in response to the Northern leader's call for the outright cessation of the South's psychological warfare as a precondition to the improvement of relations between the two countries. The docile attitude adopted by the South played a decisive role in breathing life into the North's collapsing regime.

■ Changes in the North's Strategies toward the South — The Lee Myung-bak Administration

During the South's election campaign in 2007, all the ministries of North Korea did what they could to prevent Lee Myung-bak from being elected as president. The North's regime felt infuriated by Lee's election. Then, it set up a plan to carry out acts against the Lee Myung-bak administration and tried yet again to provide support for a pro-North presidential candidate after five years.

In the ensuing period, the North's regime took one provocative step after another, including nuclear tests and the launch of long-range missiles, towards the goal of becoming "a strong and prosperous country," in addition to stepping up its threats against the South. Such an action on the part of the North led the South to withdraw its provision of economic support, and also resulted in the North's isolation within the international community. During the ten-year period prior to the inauguration of the Lee Myung-bak administration, the South provided generous economic support to the North. Thus,

the North's regime forgot all the hardships that it had experienced in the past.

Now, with an unfriendly regime in the South, the North is faced with a similar crisis again. The North may have thought that it could make the South's regime more docile with such provocations as the sinking of the South's navy warship Cheonan and the bombing of Yeonpyeong Island, but the South Korean government responded by resuming its psychological warfare against the North. As such, the situation on the Korean Peninsula has developed in a direction that even experts found hard to foresee.

North Korean defectors living in the South started sending propaganda balloons to the North in 2003. At that time, the Roh Moo-hyun administration of the South abstained from voting on a UN resolution calling for an improvement of the human rights situation in North Korea. This upset North Korean defectors, including Park Sang-hak and a scientist named Lee Min-bok, and they decided to take further steps including the sending of propaganda leaflets to the North. At first, they started on a small scale, i.e., by using a small number of primitive balloons. However, various civic organizations in the South joined them and the movement developed into a large one. Feeling threatened, the North's regime made verbal attacks against the people engaged in such an act.

The Lee Myung-bak administration had intended to oblige anti-North activists to refrain from their activities in the hope of improving its

relations with the North. However, increasing provocation by the North, including the sinking of the Cheonan and the bombing of Yeonpyeong Island, has led the Southern government to resume its strategy of psychological warfare. A large amount of money is required for the sophisticated balloons. The Southern government can do that and it will prove very effective, and very threatening to the North's regime.

■ **Kim Jong-un's Accession — Abrupt Changes Possible in the North's Regime**

The currency reform carried out by the North's regime in November 2009 drove the entire country into a state of confusion. Following the collapse of the market, even state-run businesses and economic organizations experienced a similar fate. Due to its nuclear program, the international community has imposed economic sanctions on it. To make a bad situation worse in 2010, Typhoon Kompasu slammed Hwanghae Province, a breadbasket for the North, bringing its dire food situation to a head.

Under such circumstances, the ruling Workers' Party delegates' meeting held in September 2010 worsened the confusion in the regime. The North Korean leader's 28-year-old, third son Kim Jong-un and his younger sister Kim Gyong-hee were appointed as four-star generals, making them targets of mockery and ridicule. Even members of the North Korean military laughed at this anachronistic attempt to return

to the era of feudalism. The slogan adopted by the North's military was changed from "We serve the people" to "Let's be the rifles and bombs that protect our leader."

In the past, the troops of the North, particularly those deployed along the DMZ, were in a much better position regarding their food supply. However, the situation has changed considerably, and even those deployed along the DMZ are suffering from a food shortage. The regime's emphasis on its troops' loyalty is becoming shaky. There has been a drastic increase in the number of desertions and of cases of soldiers suffering from malnutrition. The regime appears to feel seriously threatened due to the spread of a large number of propaganda leaflets, so much so that the military is saying that it may fire shots aimed at the places from which South Koreans are sending the propaganda balloons.

The North's regime, led by Kim Jong-il, feels extremely nervous about the recent situation in Egypt and Libya, countries which are run by dictatorial regimes quite similar to that of the North. The news that some Libyan troops defected to the side of the people and that Gaddafi's bodyguards had been shooting indiscriminately at people in the street would likely have a tremendous impact on North Koreans. The military will continue to play a central role in any changes made in the North and the majority of them will provide support for the people. However, those troops that have been treated well by their leader are likely to remain loyal and defend him to the last moment.

The South's psychological warfare against the North is a strong tool that has the potential to topple the regime without the use of force. The South, then, has a critical opportunity in the continuation of sending propaganda leaflets. Stepping up its efforts to send leaflets, regardless of the North's threats, will help to awaken the North's troops to the reality of the country's dire needs, and turn the current situation to the South's advantage.

Measures to Be Taken by South Korea to Carry Out Complex Diplomacy

LEE Sang Hyun

Sejong Institute

■ The National Security Environment in the 21st Century and the Need for Complex Diplomacy

Under the prevalent situation of the 21st century, nation states are required to adopt an all-out approach to diplomacy. In the 21st century, the influence of non-governmental players has become so much greater. New issues have emerged in various sectors such as the environment, culture, technology and human rights. In inter-governmental negotiations over matters of national interest, changes are taking place, including the diversification of diplomatic activities toward global civic communities, international organizations and businesses as well as the peoples of other countries. Also, the international order of the current century has seen the emergence of a new

network-based complex international order amid intensification of the information revolution and globalization. Thus, the international system can no longer be regarded as a system of involving single nations only, while the traditional concept of sovereignty is not really suitable to cover the new complexity of global politics.

In the international relationships of the 21st century, a new measure of national strength has to be adopted: a level of connectedness, i.e., how well the players in international relationships, including governments, are connected with each other, or how they maintain a good network. In the preceding century, the international order was understood to be based on the so-called billiard ball model, wherein countries collided with each other militarily and economically. In contrast, the network-based international order of the current century exists above the state, below the state, and throughout the state, so the countries with the most connections become central players and acquire the power to designate the global agenda.

As a result of such changes, we no longer live in an era in which diplomats represent the government of a country by collecting information, carrying out negotiations, and making decisions to protect the national interest in matters concerning the country's relationships with other countries. In the new international political environment, diplomats are required to assume more roles than in the past.

South Korea is not free from these changes in the flow of diplomacy. In his inaugural speech, Minister of Foreign Affairs, Kim Sung-hwan

emphasized “all-out complex diplomacy” as the new direction required for the country’s diplomatic efforts: to be precise, he referred to all-out diplomacy, knowledge diplomacy, complex diplomacy, and digital network diplomacy among other factors. At a session discussing a report from the Ministry of Foreign Affairs and Trade (MOFAT), President Lee Myung-bak said, “The business of diplomacy has changed from the ways of the past. Career diplomats in the traditional sense of the word cannot do the job alone. Ordinary people with lots of experience should be allowed to take part in the country’s diplomacy.” The President’s remarks have been taken to mean that the capabilities of the country’s diplomacy should be upgraded and its horizons expanded accordingly, as the country’s requirements in this era of globalization cannot be adequately met by diplomats who have focused exclusively on information collection and partner management.

Complex diplomacy aims to accomplish a country’s policy objectives through the use of all available means, including military diplomacy, trade diplomacy, development collaboration diplomacy, public diplomacy and private diplomacy, concerning specific diplomatic policy issues. To that end, it should be possible to mobilize network power resources as well as the hard power and soft power (i.e. knowledge, ideology, culture, etc.) that both the government and the private sector own. This need for complex diplomacy arises from the complexity of the players in international politics and the occurrence of a situation in which such players’ avenues of activity are becoming increasingly complex.

■ The Lesson from the US Department of State's QDDR

Major countries are changing their concept of diplomacy to cope with the ongoing complexity of diplomatic avenues. The US Department of State's first Quadrennial Diplomacy and Development Review (QDDR), published toward the end of 2010, for example, contains many indications to which South Korea ought to refer in its execution of complex diplomacy. While the Pentagon's QDDR serves as a comprehensive appraisal report on the US defense strategy, military structure, military modernization plan, defense budget, and so forth, the newly introduced QDDR is an attempt at a fundamental review of the country's diplomacy. The QDDR, which is a blueprint for the "smart diplomacy" that the Secretary of State Hillary Rodham Clinton promoted earnestly with the launch of the Obama administration, is based on the "transformational diplomacy" emphasized by her predecessor, Condoleezza Rice. The main idea of the QDDR lies in the judgment that US diplomats can only cope efficiently with diverse pending issues all over the world when they maximize the use of civilian power by dismantling the wall between the public and private domains. The QDDR stresses that civilian power, as well as that of diplomats, should be fully utilized to realize the country's national interest and values and to settle issues of common global concern in the 21st century.

The first signs of such a view appeared in the thinking of the US Secretary of Defense, Robert M. Gates, who tried to refrain from the militarization of diplomacy during the second term of President

George W. Bush. Mr. Gates stated that the US needs to maintain closer collaboration with its allies and friendly countries, as the US alone cannot secure victory. He also stressed the need to win the hearts and minds of the people of hostile countries with soft power, including economic support, rather than carrying out military attacks against them, and to shift the focus from hard power to soft power in the use of military strength. He added that the US needs to use even the capabilities of allies and friendly countries while efficiently combining all the elements and institutions of the country to fight radical ideologies, as the reality of the current century does not quite match the system of role division between the Departments of State, Defense, etc. traditionally practiced by the US.

The Secretary of State, Hillary Clinton thinks highly of this particular insight from Mr. Gates. In a speech delivered at the Asia Society before her departure to visit various Asian countries in February 2009, she defined the focus of the US diplomacy and security as the “3Ds,” i.e. Defense, Diplomacy, and Development, thus expressing the commitment to share the responsibility and division concerning the development agenda of the world and to attach importance to diplomacy as well as to military strength. Two of the 3Ds are the responsibilities of the State Department. Mrs. Hillary Clinton characterizes the effort to upgrade the level of the country’s diplomacy and development to that of defense as “smart power diplomacy.” As such, she considers the role of the USAID to be as important as that of the State Department. She thinks that civilian power in the US should be strengthened and expanded much further if the country is to be able to carry out smart

power diplomacy. The first step to be taken toward smart power diplomacy is to utilize talented people, including experts, in all government institutions regardless of their business boundaries.

■ Indications for the Korean Version of Complex Diplomacy

The content of the all-out/complex diplomacy to be conducted by the South Korean government is little different from the civilian diplomacy stated in the QDDR. The South Korean government has already adopted the concept of complex diplomacy in its diplomatic avenues to a considerable extent, but it has yet to systematize its activities. It has to check the relevant theories, concepts, strategies and tools altogether from a complex perspective:

First of all, with regard to South Korea's all-out/complex diplomacy initiative, consideration should be given to the vision of complex diplomacy, i.e. what form of diplomacy it should take and for whom. In the use of such terms as all-out diplomacy, complex diplomacy, digital network diplomacy and soft power diplomacy, it is important to identify the differences between these and the existing practices of diplomacy and to assess which parts should be viewed from a new perspective. And then, in defining the duties of the new diplomacy, consideration needs to be given to the addition of complex sectors, such as traditional (bilateral/multiparty) diplomacy, trade (or economy, resources, energy), development (or support/international contribution), and 'charm' (e.g. *Hallyu*, which refers to the current vogue for Korean pop culture throughout Asia, or the Korea Brand).

Second, the new diplomacy tools require a whole-of-government approach in the use of talented people; invigoration formation of a task force that links the MOFAT with the other ministries of the government; use of the digital network (e.g. Internet-based digital public diplomacy or use of social networking services like Tweeter or Facebook); adoption of a system of collaboration between the private and public domains; and use of customized regional diplomacy, etc.

Third, the MOFAT should broaden its outreach, keeping in mind that diplomacy is no longer its exclusive responsibility. The current trend is running toward expansion of the territory of diplomacy, including national security, trade, culture, development support, and even cyber space. To cope with such a change, it is necessary to establish a well-knit system of collaboration between the MOFAT and the other ministries of the government and between the government and academic circles and experts.

Finally, the MOFAT should innovate itself on a long-term basis through organizational overhaul, diversification of the way talented people are recruited, redefinition of the role of diplomats, launch of an office in charge of innovative measures within itself, education to improve the organizational culture, and identification of methods of enhancing the ability for formulating and implementing promotional strategies and action plans.

Security Situation on the Korean Peninsula and its Prospects

LIU Ming

Shanghai Academy of Social Sciences

■ Recent Developments between the Two Koreas and its Implications

These recent months have witnessed a dazzling array of shuttle diplomacies among China, the US, North and South Korea, Japan and Russia, which means growing demands, or pressure, for the resumption of the Six-Party Talks (SPT) and to change the stalemate on the Korean Peninsula. (Wu Dawei visited Seoul; Kim Sung-hwan visited Beijing; Sugiyama Shinsuke visited Seoul; and there were recently disclosed, secret talks between the two Koreas in Beijing, etc.) China and South Korea have agreed to take the three-step approach for the resumption of Six-Party Talks. However, South Korea still demands as a pre-condition for talks with North Korea, an apology

for the sinking of the Cheonan and the shelling of Yeonpyeong Island, as well as some measure of public sincerity for the denuclearization of the Korean Peninsula.

What South Korea asks, ultimately, is to change the old pattern long applied to the past inter-Korean relations, and to construct a new formula, which contains: taking South Korea as the main counterpart in the nuclear talks, not the US; and realizing that to have assistance from the South, they should not be taken for granted. North Korea must first satisfy Seoul's demands and respect South Korea's position.

It is general thinking that Pyongyang would not yield in a way that is acceptable to South Korea's demands. Even if the DPRK admitted to the attack on the Cheonan last year and extended an apology to the South, it is very unlikely for the ROK to hold high-level talks with DPRK since the South's public opinion will not allow such an appeasement policy.

Nevertheless, North Korea is clearly aware that the crux for a better surrounding environment lies with South Korea. Therefore, it has to do something to soothe South Korea's enmity. They've tried some means to goad the South into action. Their proposed talks on the joint study on the possible eruption of a dormant volcano in Chang Bei Mountain (Baekdu Mountain) and the military generals meetings reflected their tactics. But evidently, Seoul saw through Pyongyang's tactics and would not be hoaxed by these approaching proposals.

Seoul is also facing several dilemmas: US's impatience for an indefinite period of waiting for the resumption of SPT; North Korea is accelerating its UEP development; and Lee Myung-bak is moving towards his last year and a half term of presidency. He really wants to hold a summit with Kim Jong-il to sell his proposal—"non-nuclear, openness, and 3000" plan, and to pursue some achievements and leave a legacy in the history books. However, he is not in a strong position to make a real compromise with Pyongyang in terms of people's and conservatives' sentiment against North Korea. The inter-Korean secret talks held in May in Beijing showed that the ROK wanted to choose a road in between.

For the US, it is also at a crossroad. As Pyongyang opened its UEP to an American scientist Siegfried Hecker last November, Washington felt it imperative to resume talks with the North (Bosworth said only diplomacy, not sanctions could solve the problem). However, they could not take that step at that moment: for one they had to take South Koreans' feelings into account; the other is they didn't want to fall into the North Korea brinkmanship trap again. Therefore, before going back to talks, they first need a UN-endorsed resolution to condemn Pyongyang as well as some substantive signs from the North for denuclearization, which will strengthen the American position in the future talks.

Given the above delicate situation, there still exists a possibility of breakthrough this year, since the US and North Korea already held several 1.5 track talks in some places. The disclosure of secret talks

between the two Koreas by the North only reveals DPRK's impatience with Lee Myung-bak and his high-pitched rhetoric, and disappointment at the rewards that the South might assuredly offer for the proposed summits.

■ The Challenges North Korea Is Facing and its Possible Activities in the Near Future

Kim Jong-il's visit to China in May reflected something of North Korea. First Kim feels urgency to improve its worsening economy and wants to leave a better economic environment to his son. For this consideration, he is trying to use their mineral materials and the port located on the East Sea to lure China to be deeply involved in its development of two joint projects in the border areas. One project is to develop an island called Hwanggumpyong in the lower reaches of the Tumen River. This island will become a center of tourism, logistics and manufacturing. In his trip, the dear leader visited various industrial facilities, including an auto plant, an electronics producer, a discount store and an IT company.

Second, it also wants to explore the possibility of relaxing tensions with the South and reverse the unfavorable surrounding environment through Chinese diplomatic influence and cooperation. Coming back to Six-Party Talks and agreeing to discuss denuclearization are his symbolic gift for Chinese leaders.

Thirdly, though the DPRK has successfully elected Kim Jong-un as the vice Chairman of the Military Commission of the Workers' Party and formed a supportive core group for its future power transition last year, Kim is still worried about his son, Kim Jong-un's power base and the uncertain destiny of the leadership succession course. He must do his best to seek trust and get support and assurance from China. Warming personal relations with next-generation Chinese leaders and pretending to expand policy consultations with Beijing are his tactics.

The most important and immediate goal for North Korea is to maintain a stable situation on the Korean Peninsula in the coming years. Further provocative actions and getting involved in a new round of crises are not in its best interests. In spite of this, they don't have any confidence in resuming meaningful talks with Lee Myung-bak administration. Their focal points have shifted to the next South Korean President, whether it is Park Geun Hye from the Grand National Party or Sohn Hak kyu from the Democratic Party. It is clear they haven't prepared for any substantive behavior change. Waiting for a favorable leader in the South is their strategy.

As for the Six-Party Talks, the North doesn't have an interest in progressive or substantive resolutions. Their future leader must rely on the threat of a nuclear-armed North Korea to secure the regime and prolong his rule. Libya CVID's model is reminding them of the potential danger for discarding a nuclear threat. However, it is within the realm of possibility that they propose to freeze and disable all its UEP (even

shipping out all the equipments) in exchange for LWR (light water reactor) assistance, if Washington re-opens talks and hammers out a deal with them.

The North Korean Nuclear Crisis and the Six-Party Talks: A US Perspective

HEO Uk

University of Wisconsin–Milwaukee

The North Korean nuclear program is a significant security threat to the United States and South Korea. To deal with the issue, the Geneva Agreed Framework was adopted in 1994. However, Washington discovered another North Korean nuclear program based on uranium that led to the termination of the Agreed Framework. The Bush administration kept some talks going and North Korea even agreed to dismantling its nuclear program. During the Obama years, Washington has not done much, which is often called “strategic patience” waiting for NK to show its willingness to denuclearize before restarting talks. Despite multiple rounds of talks and a 2005 commitment to dismantle its nuclear program, North Korea tested nuclear weapons on October 9, 2006 and May 25, 2009, demonstrating the ineffectiveness of the Six-Party Talks. However, the Six-Party Talks are still the only approach

being used to manage the North Korean nuclear issue. Why does North Korea want to possess nuclear weapons and what does the United States want to achieve through the Six-Party Talks?

The North Korean government claims that their nuclear program is designed to deal with the shortage of power supply. However, it does not seem to be the case, considering Pyongyang's persistence to become a member of the nuclear club. Instead, North Korea's nuclear program seems to be an insurance policy for regime survival. There are three reasons for this argument. First, North Korea started pursuing its nuclear program right after the Korean War when the former North Korean leader Kim Il-Sung attempted to obtain a nuclear reactor from the Soviet Union. During the war, Kim Il-Sung saw how his country was almost eliminated when UN forces advanced to the Yalu River, rescued only by Chinese intervention. After the war, Kim Il-sung might have thought that nuclear weapons were necessary for the security of the regime. Kim Il-sung also saw how the US nuclear threats worked against the Chinese and thought he needed these weapons for himself. Although the Soviet Union refused to provide a nuclear reactor in the 1950s, North Korea continued to pursue a nuclear program and finally received a 5 MW nuclear reactor for research purposes from the Soviet Union in 1965. The North Korean nuclear program began to receive the world's attention in the 1980s when US satellite photos revealed the construction of the reprocessing plant. When spent nuclear fuel rods are reprocessed to separate plutonium, it becomes weapons-grade material. Nuclear programs for civilian power purposes do not need reprocessing plants, indicating North

Korea's intent to develop nuclear weapons.

Second, in 1994, the United States and North Korea signed the Agreed Framework. With the agreement, North Korea consented to freeze all of its nuclear programs and implement the Joint Declaration on the Denuclearization of the Korean Peninsula. In return, South Korea, Japan, and the European Union (EU) organized the Korean Energy Development Organization (KEDO) to build two 1,000 MW light water nuclear reactors (LWR). While these were under construction, the US committed to annual deliveries of a half million tons of crude oil to North Korea to compensate for the loss of energy. Besides the agreement, South Korea provided billions of dollars of economic aid and investment. Considering that North Korea had a mere 5 MW graphite-moderated nuclear reactor along with 50 MW and 200 MW reactors under construction, building two 1,000 MW LWRs and an annual supply of a half million tons of fuel oil during the construction of the LWRs seems to be more than enough to solve North Korea's power supply issue. However, North Korea secretly developed a highly enriched uranium (HEU) based nuclear program while receiving all of this aid. The 2000 summit meeting with South Korea, the invitation for US Secretary of State Madeleine Albright to visit Pyongyang, and the journey of their army general Cho Myung-Rok to Washington were all political ploys to cover up its plot to develop nuclear weapons. The fact that North Korea never agreed to abandon its nuclear programs as a prerequisite for any aid seems to be convincing evidence of Pyongyang's determination to become a nuclear power.

Third, due to repeated famines and droughts along with structural problems in the agricultural sector (e.g. shortage of fertilizer and insufficient farming land), North Korea has experienced perennial food shortages and economic difficulties since the early 1990s. Hundreds of thousands of people have reportedly starved to death. However, North Korea does not have the capital resources to improve its infrastructure and develop the economy. With US sanctions in place since the Korean War, it has been impossible for the country to attract foreign direct investment or obtain loans from the International Monetary Fund. Moreover, North Korea needs economic aid now more than ever to help justify the lack of political legitimacy of Kim Jong-un's power succession and to celebrate Kim Il-Sung's 100th birthday in 2012, the year the Kim Jong-il regime declared that North Korea becomes "a prosperous and thriving power" (강성대국). For this reason, North Korea needs as much economic assistance as it can gather. To this end, the Kim Jong-il regime has employed a brinkmanship strategy, playing the nuclear card to maximize its gains in negotiating with the US. Since nuclear programs have been in progress, North Korea has used nuclear weapons as well as their missile programs for bargaining leverage in negotiations with the US. With these bargaining chips, North Korea seeks to guarantee its security, by acquiring economic aid and having sanctions lifted.

The Six-Party Talks failed to prevent North Korea from developing nuclear weapons and are unlikely to be successful in the future. Then, what does the US government want to achieve through the Six-Party Talks? The US government initially wanted multilateral talks to avoid

the same problems of the 1994 Geneva Agreed Framework, negotiations that were bilateral and did not involve the other key regional players. When Pyongyang violated the agreement, there was not much Washington could do because China and Russia were not party to the agreement and opposed any pressure on the North. However, it would be difficult for North Korea to violate the agreement if produced with Chinese and Russian participation. Washington would also be in a better position to persuade Beijing and Moscow to adopt any punitive measures in case Pyongyang breached the accord.

North Korea seems determined to possess nuclear weapons. The US government also appears to be changing its position regarding North Korea's possession of nuclear weapons. US officials have mentioned that North Korea is estimated to possess a number of nuclear weapons. In the past, North Korea's nuclear test was the redline for Washington in dealing with the North Korean nuclear issue. Recently, however, Washington looks to focus on prohibiting the transfer of nuclear weapons or related material, particularly to terrorist groups or anti-US countries, such as Iran and Syria, indicating a change of the redline. Thus, the focus of Six-Party Talks from now on is likely to be stopping North Korea from producing further nuclear weapons material and banning North Korea from exporting nuclear material to other countries.

Another Hereditary Transfer of Power and Change in Public Sentiment in North Korea

CHIN Haeng-Nam

Jeju Peace Institute

It appears that North Korean leader Kim Jong-il is taking steps to transfer his leadership to his third son, Kim Jong-un. Such a hereditary transfer of political power over three generations scarcely has a parallel in modern history and it is difficult to predict whether it will be successful. Recently, the North's mass media mentioned the name of Kim Jong-un (now in his late 20s) right after those of Kim Jong-il and Kim Young-nam (President of the Supreme People's Assembly Presidium), showing that the process of hereditary transfer of power between the two is well under way, perhaps more smoothly than observers had expected, at least on the surface. However, public sentiment, which is rapidly becoming alienated from the regime, is likely to become a crucial variable in the transfer of power and the future of relations between the two Koreas. This paper will state some of the factors that

will have an impact on the interaction between the ongoing hereditary transfer of power and the change in public feeling.

■ Factors of Interaction between the Hereditary Transfer of Power and Public Sentiment

First, the North's regime has been unable to secure a means of soothing the feelings of the public which turned its back on the regime particularly due to the failure of the currency reform in late 2009. In the past, the regime paid scant attention to public sentiment. However, it appears that Kim Jong-il needs to appease public sentiment badly in connection with his plan to transfer power to his son. In early 2010, the North's National Defense Committee Chairman admitted that his country still had not attained the goal of feeding "white rice with meat soup" to the people, which had been set by Kim Jong-il's father, Kim Il-sung. Such an admission has been interpreted as the gesture of a leader who is sensitively conscious of public sentiment. Kim Jong-il paid an unprecedented three visits to the North's closest ally, China, in the year after May 2010. However, it was reported that he did not receive a gift from China that would make his starving people happy.

Second, the regime recently prohibited its construction workers in the Middle East from returning home for fear that their return might spread to North Korea the Jasmine Revolution started in that part of the world. The regime displayed its intention not to hide its readiness to shore up the system by purchasing a large quantity of equipment

for use against the large-scale street demonstrations which it probably fears might be staged by the starving people. Pak Nam-gi, Director of the Planning and Finance Department of the ruling party of North Korea, was executed by firing squad for his failure to carry out successful currency reform. Recently, a North Korean was executed in public on a charge of providing information on rice prices in the North to South Korea. This ever-more repressive rule indicates that the North is short of soft-power resources. It also indicates that the regime's internal solidarity is weakening, while the ongoing transfer of power to Kim Jong-un, who takes after his grandfather Kim Il-sung, has failed to deliver a message of hope to North Koreans.

Third, ordinary North Koreans have come to harbor extreme distrust of and discontent with the party and the leadership amid widespread corruption, including their having to pay bribes to higher authorities, and being squeezed to earn foreign currencies, amid a scenario in which “the rich get richer and the poor get poorer,” and a game of hide-and-seek in which the people try to form their own markets and the authorities try to crack down on them. Amid such an environment, the state-set mechanisms designed to obtain the people's political consensus, such as Saenghwal Chonghwa (a periodical session in which self-criticism is forced on the people), have become a session in name only. Such a situation is likely to disturb the workings of the ruling system in the post-Kim Jong-il era.

Fourth, there has been a dramatic change in the consciousness of ordinary North Korean people due to the adoption of materialism as

a dominant social value and the rapid spread of information on markets. In particular, the spread of the South's culture, including TV dramas, pop music, and films in the North even indicates the possibility of change in the fundamental nature of the North's regime. Recently, some North Koreans have said that they decided to defect to the South for a better quality of life and better education for their children after watching South-made TV dramas. Nonetheless, the North's regime is only intent on suppressing the people's desire for change and stopping the flow of information across the world's most tightly shut borders in the era of information.

■ Extreme Measures Taken to Justify the Hereditary Transfer of Power

The current situation, in which the North's people are turning their backs on the regime, leads one to doubt the efficacy of the efforts to get the North Korean people to idolize Kim Jong-un. The regime has to push ahead with the hereditary transfer of power under such an unfavorable structural environment. The ongoing power transfer process appears to be facing a dilemma, as it is difficult for any type of political power to take root among people who are turning their backs on the leadership.

If the people continue to turn a cold shoulder to the regime with no expectations whatsoever regarding the hereditary transfer of power, and if such a situation deteriorates further, the regime will find it

difficult to resist the appeal of taking extreme measures to settle the entire situation all at once. The North's sinking of the South's naval vessel ROKS Cheonan (PCC-772) in March 2010 and the shelling of Yeonpyeong Island in November 2010 may have been designed to consolidate internal solidarity by turning the attention of the discontented people to the outside and linking it with an effort to justify the hereditary transfer of power. The recent large-scale island-occupation maneuvers carried out by North Korean troops may be a sign of plans for another provocative action against the South.

A more serious problem is that time is not on the side of the North, which continues to reiterate the slogan of the construction of a strong country by 2012. Even the people who are on the market to sell anything in their hands to get something they need are asked to contribute funds to construct a strong country. In such a dire situation, the leadership is likely to perpetrate "a bigger act" out of its obsession with showing something wonderful to the people by the "year of promise." In other words, "time bomb"-like situations are being provoked here and there to justify the hereditary transfer of power to the people. That being the case, those in the South need to deal wisely with the risk factors created by the North's ongoing transfer of power and public sentiment towards it.

■ Winning the Hearts of North Koreans

The South's Government should positively review the need to provide food to the starving people in the North on condition of having it

monitored by international organizations lest it should be diverted to other purposes. It is not desirable to stick to the strict principle of reciprocity, as we need to approach the matter from a humanistic perspective and to win the hearts of North Koreans. It is also necessary to consider restoring the inter-Korea economic collaboration in the private sector by stages. Our unification policy should start with an effort to cope flexibly with the flow of changes made among the people in the North, despite the succession of the North's repressive rule.

It will not be easy for the Southern Government to take a consistent attitude toward the North's regime, which has refused to apologize for the sinking of the ROKS Cheonan (PCC-772) and the shelling of Yeonpyeong Island, and its starving people. However, it is by no means desirable to merely watch with folded arms the North Koreans' miserable situation or the subordination of the North's economy to China amid the extremely tense situation between the two Koreas.

Inter-Korean economic collaboration should not be looked merely from a viewpoint associated with the need to confirm the economic collaboration between the North and China. Inter-Korean economic collaboration is useful at least in connection with the need to obtain leverage against the North. It is necessary to build up strategic wisdom in a way that gives hope to the people in the North and promotes their feelings of brotherly affection for the South through the provision of humanitarian support.

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A Study on How Koreans View Peace

YI Seong-Woo

Jeju Peace Institute

The Jeju Peace Institute, jointly with the Korean Social Science Data Center (KSDC), conducted a survey concerning how Koreans view peace, for three days from July 9, 2010. The survey focused on Koreans' view of the country's foreign policy. It also examined changes in their views concerning national security, peace, and human rights in the wake of the ROKS Cheonan (PCC-772) Incident.

Concerning the question as to what they regarded as the most important issue, Koreans pointed to the prevention of crime (28%), economic matters (24.9%), human rights and democracy (24.3%), and the country's foreign policy (22.8%), which tends to suggest that Koreans think that safety from crime and economic affluence are the most important issues, and place democracy before the country's foreign policy.

As a survey concerning the way Koreans felt toward their country's relations with neighboring countries, including North Korea, following the the ROKS Cheonan (PCC-772) Incident, it threw up an interesting result concerning how South Koreans feel about the country's policy towards North Korea. With regard to the country's provision of economic support to North Korea, 48.8% of the respondents said that they were opposed to it and only 29.4% expressed their approval, with 20% abstaining. As regards the need for a response in kind by South Korea to the North's nuclear program, 53.5% of the respondents answered positively, while 27.5% answered negatively, with 14% abstaining. Their negative opinion on the provision of economic support to the North and their support for the South's hard-line response to the North's nuclear program indicates their criticism of the North's provocative actions as characterized by the ROKS Cheonan (PCC-772) Incident.

The people's response to questions on national security was not much different from what is generally perceived: 58.3% of them expressed approval concerning the need to increase the South's national defense expenditure, while only 12.5% of them were opposed to such a need. Concerning the question on the immediate transfer of wartime operational control back to South Korea, 43.7% of them expressed approval, while 28.6% were opposed, with 20% abstaining. This shows that South Koreans want their military to take a firm stance against the North's hostility and that they have a sense of confidence in their country's defensive capability.

The results of the survey also show that South Koreans demonstrate a resolute position in matters concerning territorial sovereignty. As for the territorial dispute over Dokdo with Japan, 91.7% of them pointed to the need to take a hard-line position, while only 7.5% expressed opposition or neutrality to such a need. Concerning China's Northeastern Project (which is viewed as an attempt to distort history based on the position that all of Manchuria was and is inherently Chinese territory), 83.3% of the respondents expressed approval of the need for a hard-line response, while only 3.1% expressed opposition to such a need, with 10.7% abstaining. The foregoing results show that South Koreans maintain a more adamant attitude concerning the territorial dispute with Japan over Dokdo than in the dispute with China over China's Northeastern Project. It appears that such an attitude on the part of South Koreans is associated with the way they feel towards Korea's shared history with China and Japan.

To the question regarding the Government's policies for regulating free trade, 45% of the respondents expressed approval while 14% expressed their opposition, with 28% abstaining. However, 12.5% of the respondents chose to reply "I don't know" or "No answer," which is interpreted as an indication of the general public's lack of accurate knowledge about economic issues.

The survey also asked questions concerning the country's contribution to the international community. The questions covered the provision of support for developing countries, international organizations, and the dispatch of peacekeeping forces. Concerning the need to provide

humanitarian support to developing countries, 71.1% were for it while 7.1% were against it. As for the need to provide support to international organizations, 63.5% were for it while 6.7% were against it. With regard to the country's dispatch of peacekeeping forces upon the UN's request, 65.1% were for it and 8.8% were against it. The foregoing shows that South Koreans maintain a degree of open-mindedness and think that their country should contribute to the international community. As for collaboration with undemocratic countries in connection with the need to secure natural resources, 54.2% expressed approval, while 17% indicated opposition. The 54.2% was divided into "very strong approval" (18.2%) and "lukewarm approval" (36%), indicating a not-so-strong resource nationalism.

With regard to the need to have universal values reflected in the country's foreign policy, the respondents gave complicated responses. In connection with the need for the country to play a positive role in issues related to climate change, 83.2% of them were for it and 12.1% were against it, with 14% abstaining. Concerning the need to provide medical insurance to migrant workers within the country, 81% of them were for it and 6.3% against it, with 10.7% abstaining. This result indicates that the respondents are favorable to the country's adoption of universalism-based policy on the international front. Regarding the need to grant Korean nationality to a foreigner married to a Korean, 58.9% of the respondents were for it and 18.2% against it, with 20.1% abstaining. As for the need to allow Koreans to hold dual nationality, which is associated with military service obligations, 53.2% of the respondents expressed their opposition while 22.5%

were in favor of it. The foregoing shows that South Koreans are open-minded concerning universal values, such as issues concerning climate change and the provision of medical insurance benefits to migrant workers, but that they have a conservative attitude in matters associated with the legal system, such as dual nationality or obligation of the country's citizens.

Finally, the survey was conducted concerning priority on collaboration with neighboring countries, with weighted value granted. The respondents appear to view the US as the country most important to the country's national security (57.04%) and economy (47.5%), followed by China (national security: 24.4%; economy: 36%). The foregoing shows that South Koreans regard the US and China as very important countries in matters of national security and economy, and that they regard China as an important partner in terms of economy rather than national security. The US and China were followed by Japan (national security: 12.7%; economy: 11.7%) and by Russia (national security: 5.78%; economy: 4.14%).

This survey was conducted based on Proportionate Quota Sampling on people aged 19 or over with their age, gender and region taken into account. Error range: $\pm 3.10\%$ / Reliability level: 95%.



2011 JPI Series

PeaceNet

Part II

Multilateral Cooperation
in East Asia

Momentum for Alliance Coordinations Is as Important as Negotiations: Why Is Seoul and Tokyo Cooperation Necessary?

SAHASHI Ryo

Kanagawa University

The year 2010 would be remembered as the pivotal year for East Asian security. In the East and South China Seas, the maritime territorial disputes force us to seriously rethink the needs of de-escalation mechanisms. Also, military buildups and rising concerns of non-traditional security created heated discussions on the stronger multilateral mechanisms in East Asia.

However, the sinking of the Cheonan and the shelling of Yeonpyeongdo reminded us of the deep-rooted and most risky instability lying in the Korean Peninsula. Seemingly, it created the momentum for the bilateral and trilateral cooperation among South Korea, Japan and the US. In July 2010, officers from Self-Defense Forces observed the US-South Korea's military exercise, and in December 2010 South

Korean military officers observed Japan-US exercises. The three countries' Foreign Ministers gathered in New York that December and showed a common stance against the challenges from North Korea. South Korean and Japanese Defense Ministers confirmed their willingness to upgrade their security cooperation in January 2011, and then the Japanese Prime Minister's address at the first day of the Diet also showed its interests in reinforcing the trilateral cooperation. The commander of USPACOM also showed his interests in future trilateral joint military exercises in late January.

Will this lead to a new security architecture in Northeast Asia, beyond the hub-and-spokes system since the Cold War? What functions could such newly-enhanced partnerships provide? At the same time, some argue that it would stimulate China towards further supports for Pyongyang, which ends up dividing this sub-region into two camps. Is this argument really persuasive? Where could we find out the balance between alliance coordination and shared approaches against North Korea allied with China?

In the last two decades, the United States, Japan, and South Korea clearly shared concerns over the security threat of North Korean nuclear and missile development, but failed to keep the trilateral mechanism. After the 1994 Agreed Framework succeeded in cooling down the first North Korean nuclear crisis, the three nations began ad hoc high-level meetings to discuss collaboration on the North Korea issue. The trilateral meetings initially encountered difficulties over conflicting national priorities and policy towards North Korea.

However, the Taepo-dong missile launch and the Perry Process successfully resulted in the creation of the Trilateral Coordination and Oversight Group (TCOG). The TCOG, officially established in 1999, ceased to function by the beginning of the George W. Bush administration. Thus, in the second nuclear crisis TCOG was unable to coordinate an effective trilateral response to North Korean behavior. During the Six-Party Talks, multilateral negotiations undermined trilateral relations between the US, Japan, and the ROK, as some officials had predicted and feared.

However, today many argue that the effort for strengthening Seoul-Tokyo bilateral ties and trilateral frameworks with the US has at least four rationales.

Firstly, weak unity among the status quo powers has led to an insufficient power to deter North Korea and its room for wedging strategy. The Yeonpyeongdo shelling shows the deterrence did not work to the extent of preventing North Korea from taking low-intensity military action. This is quite a new situation. Without stronger frameworks of deterrence, another action by the North, which could prove a nightmare, might not be stopped. US-ROK and US-Japan joint exercises with the observers contributed to a symbolic, deterring effect, but we still need to develop more assurances.

Secondly, necessity for policy coordination lies in preparing for both scenarios of North Korean full-scale aggressions and domestic turmoil. The likelihood is still not high, but a lack of responsive mechanisms

among the three countries should be criticized. Tanaka Hitoshi, former deputy minister of Foreign Affairs of Japan, proposes that trilateral cooperation should “include the formulation of full-fledged contingency planning for the defense of South Korea in the event of North Korean aggressions.” He also points out the “non-military aspects such as coping with a flow of refugees.” The military planning between US Forces in Korea and Republic of Korea could include a Japanese counter-part.

Thirdly, the three countries should establish a trustworthy intelligence mechanism to maintain the credibility of the alliance with the US. In the wake of North Korea’s missile launch on July 5th, 2006, Seoul’s response was clearly later than those of Tokyo or Washington, revealing the fractures in trilateral coordination. Similar problems are possible if the United States and/or South Korea choose not to share information with Japan immediately after incidents occur with North Korea. The event might also have created a credibility problem for Seoul and Tokyo, since they may not be immediately notified by its ally and partner on vital security incidents.

Fourthly, the momentum makes this time special. The events in 2010 provoked people in Japan and ROK enough to make them realize the instability that exists within the region. Also, President Lee Myung-bak will come to Tokyo for a summit meeting and it is expected that both will agree on the issue of a ROK-Japan New Era. The Japanese Prime Minister will also visit the United States in June, reportedly, and will publish new directions of the alliance’s strategic objectives and ways.

Top-level decisions are significant since the deterrence needs symbolic unity in addition to the military's capability and readiness.

The Democratic Party, the new ruling party of Japan since September 2009, was regarded as keeping its distance from the US, but in fact, after the Cheonan and Yeonpyeongdo shelling the government reacted quickly and supported the ROK strongly. Even though media reports suggested Foreign Minister Maehara seeks to open a dialogue with Pyongyang, bilateral negotiation with Pyongyang has not achieved domestic support and if it happens it would, and should, be preceded by the US.

This time the bilateral security partnership between Seoul and Tokyo would be enhanced, starting from the low-key items such as Acquisition and Cross Service Agreement (ACSA) which enables both to cooperate in global security. Intelligence sharing mechanisms also have some potential. Beyond such starters, regular dialogues at practical levels, including younger generations, need to be established between the ROK and Japan. "Japan and the US could also discuss additional measures to the Law Concerning Measures to Ensure the Peace and Security of Japan in Situations in Areas Surrounding Japan (SIASJ)." Also, even though the US involvement is the key as a catalyst, for example, through organizing the dialogue to aim at trilateral contingency planning and joint naval exercises, Seoul and Tokyo also need to have the perspective that trilateral cooperation is the aim for securing commitment and interests from the US. From this angle, the trilateral dialogue on Southeast Asian policy, which was mentioned in the

trilateral foreign ministers' meeting in December 2010, is also valuable as a method of burden sharing. However, many also point out the history problem and China's concerns as an obstacle to stronger cooperation.

Of course, we should realize that the Japanese government's efforts on historical reconciliation has not been regarded enough by the Korean people and they keep mental barriers to collaboration with Japanese Self Defense Forces. However, the ongoing crisis and brinkmanship behaviors by Pyongyang are urgent and difficult to manage without reinforcing the current security architecture.

Also, the ROK and Japan need to persuade the US for a joint, serious commitment and coordination with its allies. Furthermore, if we link this security cooperation with other bilateral negotiations, such as library agreements and historical statements, it would create a domestic context where both governments receive strong pressure.

We also need to think carefully about the linkage between alliance coordination and China's next steps. Needless to say, Beijing's ties with Pyongyang is still believed to be influential, even though we start to wonder how much. In this sense, to induce China into the collaboration with the three countries and UNSC resolutions is significant. Trilateral solidarity could work as pressure on China since it never wants to see a US alliance network formally enhanced, thus preserving the US influence in the region.

Of course, to push Beijing into a corner is not a good idea. To avoid such results, we firstly need to design the trilateral cooperation solely for North Korean challenges by cementing a lack of necessary cooperation for now, not for challenging the rise of China. Promoting human rights and democracy cannot be the trilateral agenda.

Secondly, as Scott Snyder, Asia Foundation, points out, the partnership among the three countries “should not preclude or inhibit Chinese cooperation.” The development of China-Japan-ROK trilateral and bilateral talks between China and others should be paralleled. But if one worries that upgrading alliance coordination among Seoul, Tokyo and Washington end up enhancing Beijing-Pyongyang ties, it is too much pessimism. For China, enhancing its relationship with Pyongyang, symbolically and substantially, will not be to their benefit anymore. The goal, through many channels, is that all parties can move towards the de-nuclearization of the peninsula through a consensual approach.

After Hu Jintao’s visit to the US, the US and China have been jointly seeking the possibility of the resumption of talks with Pyongyang. Diplomacy is always a very important tool to persuade the revisionist by peaceful means. Simultaneously, we should not lose the momentum for stronger alliance coordination. That is what we have lacked for a long time. In time of a crisis stage escalating, we have to review what is available. The current deterrence conditions need a remedy now.

Hatoyama's Legacy and ROK-Japan-China Trilateral Cooperation: The Japanese Perspective

KIMURA Kan

Kobe University

■ Regional Conflicts and Hatoyama's East Asian Community

On the other hand, due to historical and cultural conflicts as well as conflicting national security interests, we must recognize that there are numerous difficult political issues. Therefore, I would suggest, somewhat paradoxically, that the issues that stand in the way of regional integration can only be truly resolved by moving toward greater integration.

In August 2009, Hatoyama Yukio wrote an essay titled "A New Path for Japan" and insisted there are needs to create an 'East Asian Community.' As cited, this plan was also suggested as a possible solution for international conflicts in this region. Hatoyama and his Democratic Party of Japan achieved a landslide win in general elections held soon after that, and Hatoyama was appointed as Prime Minister.

His 'East Asian Community' plan was accepted as an official policy, and Japan started to make efforts to create it.

The plan was almost ignored by Chinese and South Korean governments, however. For example, at his first trilateral summit meeting with Chinese and South Korean leaders, the respective leaders never showed positive reactions to Hatoyama's proposal. Hatoyama continued the same efforts after that, but Chinese and South Korean leaders, and their societies did not pay any serious attention to his plan.

Why then would not Hatoyama's East Asian Community plan get support from China and South Korea? This paper will provide the readers with a sense of the difficulties involved with Asian conflicts while analyzing Hatoyama's failure.

■ An Ambiguous Proposal without the United States

The first reason for Hatoyama's failure was the ambiguity of the plan. Hatoyama and the Japanese government could never identify possible members of the community. They could not even explain what kind of community—economical, monetary, social, political, and/or strategic, for example—they were promoting their policy to. Facing such a vague plan from an economic giant, Asian countries were understandably confused.

The second reason was that this plan was regarded as part of a new Japanese policy initiative which tried to distance itself from the United States. As is well-known, the United States regards herself as one of the most important Asia-Pacific nations, and has been against any plan to create an Asian community without its own involvement. But Hatoyama officially said that ‘we do not need to discuss at this moment whether the East Asian Community should include the United States or not,’ and showed possibilities that his plan might not include the United States. Of course, the United States still has strong influence in this region, and it was very difficult for other Asian countries to accept the Japanese idea which might have a negative influence in their relations with the United States.

■ Misunderstanding the East Asian Situation

The most important reason for the failure of Hatoyama, however, was his misunderstanding of the East Asian situation. For example, he wrote in the same essay I cited at the beginning of this paper;

The economic power of the East Asian region and the interdependent relationships within the region have grown wider and deeper. So the structures required for the formation of a regional economic bloc are already in place.

Here we can see that he put two premises on his East Asian Community plan. Namely, one is that East Asian economic power and interdependent relationships are growing, and the other is that East Asia

lacks the structures for further development. On the first point, the East Asian situation is complicated. Although it is clear that the East Asian economy is growing, it is not easy to say their interdependence is also growing. Certainly, the amount of exchanges in this region is still rapidly increasing. But at the same time, the amount of exchanges between East Asian countries and other countries are increasing more rapidly. As a result, the share of inner exchanges in East Asia in all exchanges is gradually, but steadily decreasing. A decrease in inner exchanges is a typical phenomenon of globalization, which we can observe between EU countries.

Hatoyama also had a fatal misunderstanding of his second point. Certainly, East Asia has no firm and overall structure as European countries have, but it does not mean that this region has no structure at all. For example, today, in East Asia, there are a lot of EPAs, FTAs, and BITs. As a result, movements of goods and money in this region have become much smoother than some decades ago. By the increase of VISA exemptions, the movement of people has also become dramatically easier among some countries. In other words, East Asian developments and exchanges were sustained by the system made of such independent agreements in this region.

■ Needs and Reasons for Further Cooperation

In short, Hatoyama's biggest mistake was that he could have explained the reasons to create a cooperative system called the East Asian

Community. For that cause, he needed to have an idea charming enough to attract other Asian countries, but he could not find it. The ambiguity of his plan rather worried other countries, and caused them to distance themselves from Hatoyama's plan.

Then what can this episode tell us about the current conflicts in East Asia? The important point here is that in today's globalizing world, it is not easy for us to justify the further efforts to resolve international conflicts among East Asian countries. As Japan-China-ROK relations demonstrate, globalization makes it easy for a country to maintain cooperative economic and social exchanges, regardless of the disputing parties on territorial and historical issues. In this world, even in a case when disputes are serious enough to jeopardize the cooperative relationships, a country can easily find other partners with which it does not have serious problems.

Since it was clear for a country to justify cooperative relations with neighbors a few decades ago, it did not have to justify the reasons for cooperative efforts to resolve interstate conflicts. Today's climate, however, requires a country to create an idea to attract cooperative partners and to explain the reason for the cooperative efforts. Hatoyama's failure demonstrates the major shift in situations of cooperative effort in East Asia.

Toward an A3 Monetary Union

LI Wei

Remin University

The recent global financial crisis was a lesson to East Asian countries that the dollar-based international monetary system serves as a transmitter of financial crisis. China, Japan and Korea need to work toward an Asia-3 (A3) Monetary Union by establishing a Northeast Asian monetary zone that is not dependent on the US dollar.

■ The Demand for an A3 Monetary Union

Leaders in East Asia have to rethink how to achieve financial security in their respective countries. Yet, East Asian countries have different and even conflicting understandings about the urgency, necessity, and goals of financial and monetary cooperation in the region.

The internationalization of the Japanese Yen has suffered setbacks, and the internationalization of the Chinese Yuan is yet to start. In light of this situation, it will become a feasible strategy for China, Japan and Korea to jointly create a regional monetary union, to compete with the US Dollar, the Euro and the Sterling, to break the international monetary monopolies, and to achieve diversified international currencies. Effective monetary cooperation will reduce the risks of exchange rate fluctuations and decrease financial transaction costs. It will create more trade opportunities.

■ A Roadmap toward the A3 Monetary Union

The A3 Monetary Union should primarily seek to realize the following functions: exchange rate coordination, a regulatory mechanism for the free movement of capital, and a common reserve fund for preventing financial risks and decreasing the reliance on the accumulation of US dollar assets.

There should be some basic principles for the building of this A3 Monetary Union.

First, the largest Asian financial powers should agree to cooperate. East Asian currency cooperation should start from China, Japan, and Korea. When the system has matured, it could take in other countries as part of the A3 Monetary Union.

Second, cooperation among partner nations should be institutionalized. At each stage of cooperation, achievements should be locked in. The A3 Monetary Union must establish an independent and formal institution to carry out implementation and regulatory functions.

Third, cooperation should be gradually expanded. The establishment of the A3 Monetary Union cannot be formed overnight; it is a long-term process that must be realized in stages, and should remain committed to a model of developing from low-level cooperation to high-level integration, and expanding to a larger number of countries.

The A3 Monetary Union should establish an organization with clearly delineated authority to coordinate policy and properly implement agreements. For this purpose, an A3 Currency Committee needs to be set up as an organizing institution of the A3 Monetary Union.

This committee would be made up of six people: the finance minister and the central bank head from each of the three countries of China, Japan, and Korea. The committee would hold a regular meeting each quarter, and could organize temporary meetings under special circumstances. The committee would primarily be responsible for promoting the development of the currency union, overseeing the policy implementation, and carrying out macro-level management and other duties. The currency committee could invite the IMF president and the secretary general of ASEAN to be observers, and when necessary it could also invite heads of the EU Central Bank and the US Federal Reserve to be observers.

In addition, the A3 Monetary Union should establish an advisory committee, which will consist of independent economists, leaders of financial institutions, and think-tank researchers from China, Japan and Korea. The number of members should not exceed 12 individuals, to be selected for terms of three years.

As discussed previously, in addition to the establishment of the A3 Monetary Union, an A3 currency committee should also be founded to act as the central organizing body to promote the establishment of the Union. Specifically, the A3 Monetary Union could achieve the aforementioned goals through three stages.

■ Initial Stage

In the initial stage, efforts should be focused primarily on establishing the union's basic institutional framework and corresponding mechanisms for communication and coordination. To achieve this, the following goals must be pursued to advance the progress of the Union.

- a. Establishment of the basic organizational framework of the A3 Monetary Union. The A3 should seek to establish a currency committee composed of the central bank heads and the finance ministers of China, Japan, and Korea, and form mechanisms beneath this committee for other work areas, meetings, and discussion. This framework is the institutional foundation for the advancement of the A3 Monetary Union. Institutions can bring concrete results.

- b. Establishment of an A3 Monetary Fund. At present, the scope and function of an East Asian currency reserve fund is set at 120 billion US dollars. This amount is insufficient to meet the demands of China, Japan, and Korea in a financial crisis; the A3 would have to rebuild a new currency reserve fund. The creation and investment in shares of the A3 Monetary Fund could be divided among China, Japan, and Korea with a ratio of 4:4:2, respectively.
- c. Establishment of an exchange and transaction settlement mechanism among the three countries. The currency exchange agreements under the Chiang Mai Initiative were signed bilaterally, and their symbolic meaning is greater than their actual value. The A3 Monetary Union should expand the scope of currency exchange among the three countries in a three-way multilateral framework, and promote the use of national currencies in trade among the three countries, rather than using the US dollar for transactions.
- d. Establishment of an A3 currency unit. The currency unit should be used primarily to calculate foreign exchange reserves, measure gross domestic product (GDP), and later to price commodities.
- e. Establishment of a mechanism for reporting and information sharing of the three countries' currency and financial policies. The establishment of a stable exchange scheme is the foundation of the A3 Monetary Union. Toward this end, the three countries must maintain frequent and smooth information exchanges concerning their currency and financial policies.

- f. Establishment of a mechanism to supervise and control the flow of the member countries' capital. One of the motivations for the Monetary Union is to prevent financial risks and advance institutional innovation in capital supervision and management.
- g. Establishment and development of an A3 joint bond market.
- h. Establishment of a trade cooperation committee, to promote an East Asian free trade zone. An East Asian free trade zone will vigorously promote deeper development of the A3 Monetary Union.

In the process of promoting the establishment of the A3 Monetary Union, political cooperation among China, Japan, and Korea should develop at the same time. In the beginning stages, regular annual summit meetings of the heads of state among China, Japan, and Korea should be increased to regular meetings twice a year. The three countries' foreign ministers could organize an annual strategic dialogue between China, Japan, and Korea, to carry out coordination on political issues.

■ Intermediary Stage

The goal of the intermediary stage of the A3 Monetary Union is to make efforts to establish an A3 currency system, and to expand this system to include other countries and areas in East Asia.

During this stage, the A3 Monetary Union should achieve the following goals:

- a. Setting a target floating range of the three countries' currencies, and gradually narrowing the range. To maintain the stability of the exchange rates, the three countries could first establish a floating range of 10%, and then gradually reduce it to 5%. In order to create the A3 currency unit and calculate the ratio of the three countries toward the common currency, a specialized A3 currency mechanism should be set up to control the currency anchor, gradually developing into an East Asian central bank.
- b. Promoting the free conversion of the three countries' currencies. During the intermediary stage of the A3 Monetary Union, the three countries should encourage the member countries to freely circulate capital among themselves. At the same time, through strengthening the trade and investment relations of the three countries, a common financial transaction network can be established, gradually carrying out the integration of the capital markets.
- c. Increasing the funding scope of the A3 currency, to enable the scope of its lending to cover other East Asian countries. On one hand, the fund can consider attracting other non-member states to put up capital and become shareholders; on the other hand, the fund can also provide short-term loans to other countries in East Asia and help them to maintain their balance of payments. These measures can help the A3 Monetary Union to provide public goods in East Asia.
- d. Recruiting other countries with mature conditions as well as regional economic bodies. In the intermediary stage, those that

can be first considered to join the A3 Monetary Union include: Hong Kong, Macao, Taiwan, and other economically and financially developed regions. They should be encouraged to adopt exchange rate policies which link up with the A3 Monetary Unit, and participate in the A3 currency committee. Gradually, Singapore, Thailand, Malaysia, and other relatively economically developed countries should be encouraged to participate.

- e. Issuing bonds denominated in the A3 currency unit. The A3 currency unit-denominated bonds will help to popularize the A3 currency unit, reduce the currency transaction costs among its members, expand the East Asian financial market and decrease dependence on US dollar reserves, thereby providing a foundation for the emergence of a unified East Asian currency.
- f. Building an East Asian free trade zone.

■ Advanced Stage

The long-term goal of the A3 Monetary Union is to create a unified currency zone across all of East Asia. The establishment of this currency zone would mean that countries within the zone have ceded part of their monetary sovereignty. An East Asian currency zone could take part in global economic competition and advance fundamental reforms to the international monetary and financial order.

- a. Establishing a central bank for East Asia on the basis of an A3 currency mechanism and issuing a common currency that could freely circulate within the zone on the basis of an A3 currency unit.
- b. Strengthening social policy coordination and standardization of the countries within the currency zone, and realizing complete economic integration. On the basis of adequate economic integration, the coordination of social policy and political integration become necessary requirements. The establishment of the East Asian community will enter into a new and higher stage.

Emergence of a New Northeast Asian Order and the Future of Korea-China Relations

FANG Xiu Yu

Institute of International Studies, Fudan University

The human race has undergone so many wars that human history can be viewed as a dialectical cycle of war and peace. A complex international structure has developed in the world where a party seeks resolution to one conflict through peace talks while other conflicts continue or have been unresolved from war that broke out in an earlier war vortex. While such a cycle is being repeated, a new order is appearing in Northeast Asia. Therefore, it is necessary for us to examine what types of development Korea and China should seek under such new changes in the region.

■ New Northeast Asian Order in the Post-Cold War Era

The Northeast Asian region stood at the center of the Cold War after

World War II though it was not in the center of international politics. The international order in Northeast Asia, including the Korean Peninsula, was formed under a triple-structure framework with Japan and China playing a limited role under the leadership of the US and the USSR, and the division system of North and South Korea operating under this structure. The collapse of one axis between this bi-polar system that continued for 40 years after World War II directly affected the international situation in Northeast Asia.

The post-Cold War order in Northeast Asia shows the below-listed characteristics:

First, the drastic setback of the CIS (or USSR) force and a relative decrease of the US influence can be cited.

Second, the US remained an exclusive superpower in the world after the former USSR dissolved, but the US needed stronger multilateral cooperative organizations rather than playing the role of a police state that could resolve world disputes with its own force.

Third, China recorded rapid economic growth by steadily promoting reform and opening up to the world. With time, China has climbed to a position of a truly great nation in terms of national power. In particular, China's voice has become stronger in dealing with Asian issues. China is required more and more to adapt to the international political and economic order as her national power increases.

Fourth, Japan still belongs to the rank of major world powers in terms of national power though its international position appears to have shrunk due to domestic and economic difficulties, which are a result of the collapse of the bubble economy and China's rapid economic growth.

Thus, Northeast Asia is a unique region of the world where the position and interests of the four major world powers acutely overlap. It is in a position in which the situation in the region does not change or is not set up by the role of any one country.

■ **Development of Korea-China Relations after the Re-establishment of Diplomatic Ties**

The leaders of both Korea and China finally established a normalized relationship by attempting to improve Korea-China relations at a time when the international regime switched from a bi-polar to a multi-polar system, after the Cold War ended.

The Korea-China relations that started in economic and trade areas extended in all directions, after their leaders visited one another on multiple occasions and enhanced their mutual understanding and trust through diverse channels, including meetings at international multi-party gatherings.

Economically, China has already become Korea's greatest trading and

investment partner since 2002. Korea is China's fifth largest trading partner and its greatest investment partner is China. Exchanges between Korea and China in cultural areas have actively progressed day after day as well as in political and economic areas.

As a conclusion, China has been able to simultaneously secure economic and political interests in South Korea and political strategic interests in North Korea, after normalizing Korea-China diplomatic relations. On the other hand, South Korea has been able to heighten its international position in national security, politics, diplomacy, economy, trade, social and cultural areas after Korea-China diplomatic relations were re-established.

■ Future Developments in Korea-China Relations

Though Korea and China have so far maintained a relatively stable relationship since their diplomatic normalization, various problems have been exposed between them such as the relations with other countries. Therefore, the two countries need to succeed in resolving their differences regarding various areas in order to steadily improve their relations in the future, after resolving existing problems.

The two countries need to adhere to the principle of peaceful coexistence in international relations. It can be said to be only a matter of time for some conflicts to arise in their mutual exchanges or cooperation as they have maintained differing political systems, ways of thinking,

and economic development models for several decades. Therefore, the principle of peaceful coexistence is believed to be conducive to developing cooperative relations between differing social systems.

That is to build an understanding of, and trust in, traditional culture. Their geographic proximity and historical and cultural closeness may support exchanges and cooperation between the two countries at a higher level. It is critical for North and South Korea to solidify their relations for the future of Korea-China relations. This will be a primary element in the process of Korean reunification as it will prepare a foundation for a unified Korea by removing diverse frictions existing in North and South Korean societies as well as helping to overcome political and economic divisions between North and South Korea.

The two countries should recognize and utilize their mutually beneficial economic structure. Mutual relations for economic cooperation exist between Korea and China at multiple levels in connection with their natural environments and economic structures. China needs to learn advanced technologies and models for business management, and economic development that Korea has accumulated over the years, while Korea needs China's vitality for active economic growth. The two countries may pursue common benefits by forming an economically optimal, mutually beneficial cooperative structure between Korea's advanced scientific and IT technologies and China's vast market, affluent workforce, and natural resources. Therefore, Korea and China need to strive to maximize the creation of common values by simultaneously revitalizing their economies and trade while recognizing the

economic structure that supports a mutually beneficial cooperation between the two countries.

Korea and China need to remove various impeding factors that obstruct the progress of the relations between the two countries by expanding exchanges and cooperation, and developing and implementing practical policies through joint efforts. The factors that impede the progress of the relations between Korea and China are relatively few. If such factors are neglected, however, they will adversely affect the steady development of their relations.

In general, the bi-lateral relations between Korea and China need to progress in a mature and practical way that satisfies the national interests of the two countries. To that end, the two countries need to develop feasible ideas, implement plans, and be equipped with capabilities to take advantage of opportunities in a pro-active manner. The relations between Korea and China will become closer at multiple levels in the future.

A Perspective on the Greater Tumen Initiative and Northeast Asia Economic Cooperation

ZHU Shu

GTI Tumen Secretariat

■ GTI as a Regional Economic Cooperation Platform

Created in 1990s by the United Nations Development Programme (UNDP), the Greater Tumen Initiative (GTI), originally known as the Tumen River Area Development Programme, has served as an active multilateral intergovernmental platform for economic cooperation among the four member states (China, Mongolia, Republic of Korea, and the Russian Federation).

According to an intergovernmental agreement signed in 1995 by the five initial member governments¹ that included the DPRK, the main

¹- The Tumen River Area Development Programme (predecessor of the GTI)

goal of the GTI is to strengthen economic cooperation to achieve greater growth and sustainable development for the people and countries in Northeast Asia with a geographical focus on the Tumen River region.

With the support of the UNDP, the GTI acts as a catalyst to expand policy dialogue among member governments, and foster a favorable environment for regional cooperation in areas such as transport infrastructure, energy security, tourism development, trade facilitation, investment promotion and environment protection.

In addition to the annual intergovernmental Consultative Commission Meeting (vice-minister level), the GTI member governments have established both financial and institutional instruments, including the support for the operation of the GTI Secretariat and the establishment of the intergovernmental boards consisting of senior officials from each sector to facilitate the cooperation activities.

While the GTI remains supported by the UNDP, it also collaborates with the other important international and regional NGOs, financing institutions, academic communities, and the private sector. For instance, the GTI Business Advisory Council was created as a public private partnerships mechanism to encourage and support the private

was formally established in 1995 by the signing of an intergovernmental agreement between the five initial members—Democratic People’s Republic of Korea (DPRK), People’s Republic of China, Republic of Korea (ROK), Mongolia and Russian Federation, with the support of the United Nations Development Programme. The DPRK withdrew from the GTI as of November 2009.

sector engagement in regional economic cooperation.

There is enormous potential for economic cooperation and development in Northeast Asia; however, there is also the reality of the geopolitical complexity of the region due to historical disputes, international power struggles, tensions on the Korean Peninsula, diverse political systems, and conflict of interests over development. Though GTI cooperation is aimed at promoting economic growth, it is also an important means to strengthen mutual trust among neighbors that indirectly contributes to the peace and stability of Northeast Asia.

■ GTI's Relations with the DPRK and Japan

As a cooperation platform that focuses on the Northeast Asia, the relation with two other Northeast Asian countries—the DPRK and Japan—has been an important topic of the GTI agenda. For example, at the 11th GTI Consultative Commission Meeting (September 2010 in Changchun, China), the member governments stressed the importance to involve all Northeast Asian countries in regional cooperation.²

In terms of the re-engagement of the DPRK in the GTI cooperation, the regional environment has signaled positive conditions. First, China, as one of the GTI members, has been supportive towards the DPRK's

²- *Changchun Declaration*

re-engagement in the GTI. As the most important partner and friend of the DPRK, China's encouragement might enhance the DPRK's interest and confidence to come back to the GTI table. In early June, the DPRK and China agreed to establish three special economic zones —Hwanggumpyong Island, Wihwa Island, and the Rason Economic and Trade Zone (one of the focused areas for GTI cooperation before the DPRK's withdrawal). These special economic zones were to enhance the economic and trade cooperation between the two countries and with other regions of the world. It is expected that the establishment of these zones will have a positive impact on the economic growth of the DPRK and China's northeast region. Based on the DPRK's close economic ties with China, and its eagerness for economic development, it is assumed that the DPRK would carefully consider the GTI members' proposal to re-engage in the GTI cooperation, which will benefit the promotion of these special economic zones and the DPRK's economic prosperity through the GTI platform.

Second, the DPRK's economic reform and recent development in areas such as renewable energy require the support from its partners. The DPRK has been lack of resources, information, technology, and experience for its development; therefore, coming back to the GTI seems to be a practical choice to gain more resources and support from GTI member states and international partners.

Third, despite the disputes between the DPRK and ROK over the North Korean torpedoing of the South Korean naval ship Cheonan and the shelling of Yeonpyeong Island, inter-Korea economic relations

and cooperation might be resumed or at least be discussed under the GTI platform. This could enable the gradual build-up of trust with the support of the other GTI members. Resuming economic cooperation with the DPRK under the GTI framework should be a continued practice for the South Korean government. This is an important step considering that 2012 is presidential election year.

The cooperation between the GTI members and the DPRK might first start from concrete project activities, such as capacity building for government officials and investment promotions for the Rason Economic and Trade Zone. Upon the foundation established, discussion could be further extended for increased cooperation under the GTI framework.

In terms of the cooperation with Japan, the local prefectures in Japan's west coast have shown greater interest than the central government. The west coast prefectures, such as Tottori, Niigata, and Akita, have been actively cooperating with their counterparts in the GTI region on the establishment of NEA transportation networks, tourism promotion, as well as investment and trade activities.

In recent years, interest over GTI cooperation from Japan's west coast prefectures increased and the actual cooperation activities have built a solid basis for further strategic partnerships between GTI members and Japan, or even Japan's accession to the GTI in the near future.

A GTI Local Cooperative Mechanism has been created to strengthen and encourage the participation of Northeast Asian provincial gov-

ernments of GTI member states (as well as Japan and the DPRK) to jointly promote regional projects and cooperation activities. This mechanism serves as an ad hoc network only for practical cooperation at the local level.

■ Prospects on Northeast Asian Cooperation

After about two decades of development, the GTI has been standing at the new crossroads. It has been transformed from a UNDP programme centered on the Tumen River area to be an enhanced intergovernmental cooperation platform that targets the Northeast Asian region.

The GTI framework has a unique value that fosters exchanges and policy dialogues among national governments in Northeast Asia, as well as promotes concrete project cooperation at the local (provincial) level with the involvement of the private sector.

The potential of the GTI as a Northeast Asia regional cooperation platform could be realized only if it also engages with the DPRK and Japan in the future. The growing interests of Japan's west coast prefectures and the substantial moves of the DPRK's economic opening-up is bringing positive changes to the GTI towards an integrated Northeast Asian cooperation platform in the near future.

Present Status of and Prospects for Economic Collaboration between North Korea and Russia

PARK Jong-Su

St. Petersburg State University

The backbone of North Korea's economy was originally established and maintained with the support of the Soviet Union, so the collapse of the latter in 1991 inevitably had a critically adverse impact on the North Korean economy. Recently, however, the economic collaboration between the two countries appears to have been recovering, albeit at a very slow pace, after 20 years of stagnation. What, then, are the stumbling blocks to bilateral economic collaboration? What is the significance of the Summit held between the two countries on August 24th, 2011 with regard to the invigoration of their bilateral economic collaboration?

■ Status of Economic Collaboration between North Korea and Russia

During the era of the Soviet Union, bilateral economic collaboration

was carried out in a variety of areas, including technological transfer, joint production, processing-on-commission production, the education and training of workers, the exchange of science and technology, and so on. In 1988, the amount of bilateral trade stood at 1,565.7 million rubles (USD 2.5 billion), a record level. The trade with Russia accounted for 49% of the total foreign trade of North Korea. With the collapse of the Soviet Union, however, Russia stopped its compensatory trade (similar to aid in nature) with North Korea and asked the North to pay for the goods it provided in hard currency based on international prices rather than on specially discounted prices as in the past. In the ensuing period, economic collaboration between the two declined drastically to the lowest level of 46 million dollars by 2000, i.e., to the mere 1.8% of 1988. It recovered gradually in the ensuing period, but not to the level experienced at the end of the Soviet Union.

The North came to rely on China more heavily as a result of this estrangement from Russia. However, that does not mean that China has contributed fundamentally to the resuscitation of the North's economy. China's support for the North, which is concentrated on everyday necessities, is no more than a stopgap measure. The North's seriously dilapidated key industries had relied completely on Soviet technology and facilities for their construction and operation. Thus, the North's economy has structural limitations, and there is no way for it to resuscitate itself without intensive modernization.

The North and Russia have confirmed their commitment to mutual

collaboration at Summits held between Kim Jong-il and Vladimir Putin on three occasions, but they were unable to find a breakthrough. That is because the situation has changed greatly since the Soviet era, when Russia's economic support for the North was provided in consideration of the following factors: the maintenance of good relationships with its allies; the enhancement of its status in the international community; the need to discourage the North from getting too close to China amid the feud between the Soviet Union and China; and its rivalry with the Western world, including the United States.

■ Inhibitive Factors in the Economic Collaboration between North Korea and Russia

First of all, the largest stumbling block to the invigoration of bilateral economic collaboration is the North's inability to repay its debts to Russia. At the 5th meeting for debt rescheduling in December 2006, the two countries finalized the debt amount at 8 billion dollars, but no further progress was made due to the North's request for a complete write-off of the debts. In fact, such a write-off of the debts owed to it by the North would place Russia, a member of the Paris Club, in breach of the principle of equality between members. Besides, as the North is not a member of the IMF, its debts to Russia cannot be rescheduled at the Paris Club level. However, Russia is not without a realistic alternative despite such restrictions. Russia may consider using a compromise agreement, such as a debt swap in which the North's

debts would be exchanged with Russia's equity rights in the North's business.

There is another reason for Russia's hesitation in adopting the alternative. The Soviet Union provided support for the North in order to maintain ideological solidarity between socialist countries, and as a result of its antagonism towards the Western world. The North has not overcome the parasitic stance of asking for Russia's one-sided aid. Russia may also consider asking South Korea to strike off the debt owed to it by Russia in return for its cancelling the debts owed by the North. Russia and the North were scheduled to discuss the issue of debt repayment at the 5th session of the Joint Economic Commission in May 2009, but the session was called off due to the North's nuclear test. It is expected that the North-Russia Joint Economic Session, which was held during Kim Jong-il's visit to Russia in August 2011, will lead to noticeable developments.

Second, another basic problem is the internal limitations of the North's economy. Until the early 1990s, the North's economy was the most thorough and extreme model of the centrally planned economy. The North's Stalinist-style controlled economy, which centered on heavy industry, collapsed in the wake of the disintegration of the Soviet Union and its factory operation rate fell to 46% of the level of 1990 by 1997. In areas outside Pyongyang, food rationing was abandoned and people starved to death. Its centrally controlled economy has no particular flexibility. The policy of a self-reliant economy has led to the stagnation of its foreign trade. Worse still, its repeated

nuclear testing has isolated the North from the international community even further.

People in the North have relied on the underground economy as a self-rescue measure and its government has relied on aid from China, pursuing “equidistance” diplomacy involving China and the Soviet Union. The Chinese government finds it burdensome to continue providing economic aid to China, while feeling loathsome toward the North’s chameleon-like behavior. It cannot place complete trust in the North’s leaders, who stake everything on the approach to the United States. In August 2001, when Kim Jong-il visited the Omsk Bacon pig farm in Russia, he said he recognized the merits of private ownership, but kept on saying that he could not introduce the private ownership system into his country. His explanation was that his country needed an efficient system of ruling to feed the 25 million people who lived in a small land, thereby revealing that the view held by the country’s leadership remained unchanged.

■ **Prospects for Economic Collaboration between North Korea and Russia**

On his visit to St. Petersburg, Russia in August 2001, Kim Jong-il said that he would change the direction of his country’s economy to the Russian style, not the Western style, adding that the Russian system would be easier for his country to adopt and less costly, although it might be inferior to the Western style in terms of quality. Even at the

informal luncheon with Vladimir Putin, he said, “Innovation should meet the country’s realistic situation and be reasonable from the political and economic perspectives without causing war or bloody disaster,” indicating that he had noted the direction of development that Russia had followed. The matters agreed upon at the Summit, including the repair of the Rajin-Hassan Railroad, have been executed for the most part, although they were all rather small in magnitude.

Meanwhile, Russian experts specializing in issues related to the Korean Peninsula have expressed their concern that the Western world will occupy the North Korean market after the unification of the two Koreas, which means that Russia will lose out on a market of 73 million people. Such fears reflect the view that Russia should have economic leverage on the Korean Peninsula in connection with its need to expand its relationships with countries in Northeast Asia.

Russia can utilize North Korean workers in construction, forestry, processing on commission or manufacturing in Siberia or its Far East provinces. Furthermore, the Russian government views triangularly collaborative projects between the two Koreas and Russia, such as connection to the TKR-TSR, oil/gas pipelines connecting Russia with South Korea via the North, or the supply of surplus power to the North, as very important from a geopolitical/geo-economic perspective. Such being the case, the Russian government cannot leave unsettled the issue of the North’s debt repayment, which has an inhibitive effect on bilateral economic collaboration. It is expected that Russia and North Korea will seek to reap substantial results related to their bilateral

economic collaboration based on what was agreed at the August-24 Summit between Kim Jong-il and Russian President Dmitry Medvedev.

On the Korean Peninsula, a power balance needs to be struck between those countries with an influence on the situation on the peninsula. Amid the souring relations between the two Koreas, the various rights and interests of North Korea are being transferred to China. The North's excessive reliance on China is by no means desirable: the Russian card should be used to check the situation. Triangularly collaborative projects between the two Koreas and Russia will bring not only economic gains, but also various ancillary effects to South Korea in terms of diplomacy and national security.

Japan's Nuclear Mercantilism: Color of the Money

KIM Mikyoung

Hiroshima City University–Hiroshima Peace Institute

Japan is a land of “Homo economicus.” Economic rationality is one of the most powerful motivations behind its policy behaviors. That explains, for instance, why the right wing camps keep on framing Japan’s 1941 Pearl Harbor attacks as an act of self-defense against the Roosevelt administration’s fuel embargo. Fuel was Japan’s lifeline for its wartime economy, they argue. When there is a recurring theme in historical trajectory, making predictions of future behavior becomes less of a challenge. What the Japanese government is trying to do in the aftermath of the devastating March 11 earthquake and tsunami, again, reveals its preoccupation with economic calculations. Whilst citizens’ anti-nuclear sentiments are on the rise, the government is out to export its nuclear technology to developing countries. The two notable events of last September reveal two issue domains of domestic

politics and international money-making are operating in a separate fashion.

In domestic realm, the Tokyo government is aware of citizens' increasing rage with Fukushima's nuclear contamination. The radiation exposure has resulted in the evacuation of 80,000 residents in the prefecture, and the number of internally displaced is expected to reach as many as 300,000 people. Its magnitude is estimated to be about 30 times bigger than that of Hiroshima's "little boy." In addition, the scope of contamination is expected to be 100 times larger than that of the Chernobyl disaster. It will take more than one year to treat the contaminated water stored in the basement of Fukushima Daiichi. The "clean energy" can be lethal and very expensive, the citizens now have learned. On September 20, an estimated 60,000 protestors gathered in the central Tokyo demanding the government to depart from its reliance on nuclear energy. It was one powerful reminder of public rage against the deceptive power establishments of TEPCO and relevant government offices.

Japan, the one and only country to have suffered from atomic bombs dropped on Hiroshima and Nagasaki, is one of the leading nuclear powers in the world. The beginning of Tokyo's nuclear policy is a story of saddening irony. Mr. Nakasone Yasuhiro, a young politician back then later to become Prime Minister (1983-87), introduced a bill in March 1954 to create a budget of 235 million yen for the development of nuclear energy for peaceful purposes. One paradox of the bill was that it was hurriedly passed in the advent of the return to Japan

of the crew of the Fukuryu Maru (aka, *Lucky Dragon*) after it had been exposed to hydrogen bomb fallout in the US territory of Bikini Atoll. While the tuna fishermen's radiation exposure fueled a nationwide anti-nuclear movement, the Tokyo government was pressing on to transform the country into a nuclear power in its usual surreptitious *modus operandi*. The power elites needed the energy source to sustain the post-war reconstruction. In a nutshell, economic considerations in the 1950s paved the road for March 11 nuclear disaster.

On September 23, the new Prime Minister, Mr. Noda Yoshihiko, delivered an illuminating speech at the United Nations. Mr. Noda, the first Japanese Prime Minister to have the podium to himself, addressed the issues that concern Japan's place in the international community. One of the topics had to be on the Fukushima situation for the contaminants travel across national borders and oceans. To nobody's surprise, he promised expeditious clean-up efforts, but, at the same time, he stated that his government will continue to explore the possibilities to export nuclear technology to developing countries. Tokyo's talks with Vietnam, Turkey, China and India are currently underway. Japan signed MOUs with Bulgaria and Canada for nuclear technology cooperation in June of this year. With the technology accumulated from constructing 54 nuclear power plants, Japan obviously enjoys a competitive advantage in the energy market. And yet, its persistent interest in selling the potentially dangerous nuclear know-how to other countries is a disappointing reminder where domestic prerogatives are separated from its commitment to safer energy use. On the surface, nuclear know-how is nothing more than an energy technology. The experiences of Chernobyl and Fukushima,

however, show that the devastating aftermaths have no parallel when compared to other energy sources. Should technology entail no moral values, an atomic bomb has to be nothing but a bomb. It is the bomb's massive scale destructive capacity that entails moral value on the weapon. This debate is about respect for human rights and advancement of human security.

The separation of economy from politics is nothing new to Japan. The defeated Japan under the Peace Constitution grabbed the opportune momentum to rebuild its war-torn economy by manufacturing wartime supplies during the Korean War. It also dispatched military personnel to the Korean Peninsula under the UN banner. When the US, its staunch ally and the partner in a bilateral security pact, was fighting the Gulf War, Tokyo sent money, pejoratively termed as “checkbook diplomacy” by the Washington pundits, in lieu of self-defense personnel. Shifting gears between economy and politics demands tactical innovation and shrewd strategizing. And Japan is very good at it.

Despite many efforts made on the domestic fronts, no matter how slow and ineffective, Tokyo is not free from the suspecting gaze of its own citizens. The compensation plans, for instance, are confronted with resistance from the disaster victims due to logistical and schematic reasons. The 60-page claim form accompanied by a 150-page explanation manual put a damper on the spirit of displaced residents. Some of them take it as an administrative invention to discourage the victims from filing claims. Others are hesitating to receive compensation considering the lingering health effects of radiation exposure. The

government form clearly states that the compensation will be one-time deal.

Murakami Haruki, the internationally acclaimed Japanese novelist, described Japan “a rich country without hopes.” Whereas wealth is a quantifiable concept, hope belongs to a metaphysical dimension of morality. Money does not have a color, but it still can have different tones. The tone of wealth determines whether money is something of respect sometimes, and belittlement at other times. In this day of compassionate capitalism, Japan needs to demonstrate its moral leadership by becoming more selective in its wealth-generating methods. Exporting nuclear technology is not a respectable way to accumulate more wealth in the aftermaths of Hiroshima and Fukushima. The community of nations would become a safer place with fewer nuclear weapons and nuclear power plants.

Ulan-Ude Summit and Northeast Asia's Security Perspective

Sergei SEVASTIANOV

Vladivostok State University of Economics and Service

At the end of August 2011 North Korean leader Kim Jong-il made a long-awaited visit to Russia. During his trip from the DPRK to Ulan-Ude (a Russian city in the Trans-Baikal region) by Trans-Siberian railroad he had short meetings with several regional leaders of the Russia Far East (RFE) and saw the Bureyskaya hydropower station. The key event of the visit happened on August 24 when the RF President Medvedev met with Kim at Ulan-Ude. That meeting aroused considerable interest as an event capable of generating some positive changes for security and the economic situation on the Korean Peninsula, and even over all of Northeast Asia (NEA).

To clarify this thesis firstly I wish to put this visit in the context of the Russian national interests in NEA. This region plays a growing role in

Russian foreign policy because Moscow aims to use its economic relations with Asian states to enhance economic development and comprehensive security of the RFE. At the same time Russia could effectively contribute to multilateral security and economic cooperation in NEA as the only country in the region possessing diversified energy resources sufficient to sustain both domestic growth and considerable export requirements. However, most Russian proposals to sell oil, gas and electricity to its neighbors (such as construction of oil and gas pipelines, electricity power grids, etc. passing through the DPRK territory) cannot be implemented until issues concerning the security of the Korean Peninsula are resolved. Actively participating in the Six-Party Talks, Moscow believes that a solution to this regional problem would be greatly facilitated by providing the DPRK with adequate security guarantees and facilitating its socio-economic development in exchange for its renunciation of a military nuclear program.

Against this backdrop we can analyze the agenda of the above-mentioned visit. According to the information posted at the RF president's official website, the two leaders discussed such issues as bilateral ties in security, politics and economics, regional contacts in trade and the humanitarian sphere, and a full spectrum of security issues on the Korean Peninsula. Russian President's Press Secretary Natalia Timakova also revealed that Kim expressed readiness to resume Six-Party Talks without preconditions and, through a process of further negotiations, to decree a moratorium on tests of nuclear armaments and production of nuclear materials. Taking this pledge into account

Medvedev was enthusiastic to declare that both leaders agreed to form a special commission to develop a perspective plan and concrete details for RF-DPRK cooperation in arranging initial annual transit of about 10 billion cubic meters of Russian gas to the Republic of Korea through DPRK territory. This is seen to become a trilateral project with the participation of the RF, ROK and DPRK, aimed at building a gas pipeline from Russia to the ROK (with an overall length of more than 1,100 kilometers, 700 kilometers of which through DPRK territory). Other important issues were discussed such as deepening of contacts in the military sphere, possible terms for writing off DPRK state debt, etc.

That visit holds considerable importance for regional politics, security, and economics. First of all, the meeting itself had a high symbolic political value. The previous official visit took place long ago when in 2002 Kim met with then RF President Putin. During those nine years Kim made numerous visits to China but not to Russia, demonstrating frustration with Moscow which had been undertaking multiple measures to improve relations with key western countries. But in 2011 Moscow and Pyongyang became ready to make a step towards each other, especially the DPRK who wanted to demonstrate to Beijing that China was not the only partner for North Korea in NEA.

One more symbolic event happened: Medvedev and Kim reached an agreement to diversify various aspects of bilateral military cooperation. Some experts expressed apprehension about the news that two countries decided to conduct bilateral search-and-rescue exercises in

the East Sea by the end of this year. On one hand there would be nothing special in such practice, for the Russian Pacific Fleet regularly conducts annual standard, small-scale joint search-and-rescue exercises with naval vessels from Japan, USA and other countries. On the other hand, Pyongyang has consistently protested against US and ROK naval exercises conducted at sea not far from DPRK borders. Thus this new option helps balance the NEA security situation because now the DPRK will not be excluded from the regional joint military exercises equation. In other words from a neorealist perspective, to improve the regional balance of power it makes sense to strengthen the bilateral Moscow-Pyongyang tie which has not been among the strongest links in NEA comparing with such as Beijing-Pyongyang or Washington-Tokyo. Nevertheless we should take into account that Moscow declined Pyongyang's proposal to arrange a full-size bilateral naval exercise, as well as, in strict accordance with the terms of UN resolutions prohibiting it, the sale of Russian armaments to the DPRK.

Secondly, the visit showed an increased level of trust between the two countries. This is good for NEA stability and for the security of the RFE in particular. After the DPRK conducted missile launches and underground nuclear explosions in 2006 and later in 2009 Moscow made common cause with China not to use military force against Pyongyang. At the Ulan-Ude meeting, Medvedev demonstrated that Moscow was truly supporting Pyongyang's moves to restart the Six-Party Talks. For Russia any practical steps to the eventual denuclearization of North Korea is a sensitive issue because, for example, in unfavorable wind conditions radioactive clouds produced by

DPRK nuclear tests could quite easily reach Vladivostok (the big city in NEA nearest to the DPRK nuclear test site). More, if anything were to go wrong in the military relationship between the DPRK and ROK, large DPRK refugee flows could well cross the Russian border.

Finally, the author shares the neoliberal argument that economic cooperation improves regional security. As a result of the February 2007 round of the Six-Party Talks, Moscow pledged itself to provide the DPRK with energy resources and economic assistance. During the Ulan-Ude meeting, Russia proposed several critically important measures in this sphere. Firstly, the two leaders discussed terms on how Moscow may write off the largest portion of the 11 billion dollars DPRK state debt to Russia, and maybe to restructure another part of it. Secondly, from August through September 2011 Russia has been supplying DPRK with 50 thousand tons of wheat as part of a humanitarian assistance program. Thirdly, the RF declared readiness to start construction of a gas pipeline to the ROK and to secure a portion of this gas supply to the DPRK, if Pyongyang stops its dangerous activities in the nuclear sphere. However, the political and financial risks for Seoul and Moscow, who would provide the lion's share of investment, in implementing such a project are extremely high. A promising scenario might be to incorporate realization of this expensive international project into the Greater Tumen Initiative (GTI) multilateral cooperation framework. It would be easier, so long as GTI has a sufficient joint investments fund, but this is another issue.

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Russia's Options for Asia-Pacific Multilateral Cooperation

Artyom LUKIN

Far Eastern Federal University

Despite having a Pacific coastline of 16,700 miles, Russia is a late-comer in regards to Asia-Pacific regionalism. Due to the Cold War, the Soviet Union was shut out from regional cooperation, having instead to rely on bilateral ties with few allies. Following the end of the bipolar confrontation in the early 1990s, Russia strove to integrate itself into Asia-Pacific multilateral bodies.

Despite joining APEC and ARF, Russia, due to domestic turmoil, ceased to be a major factor in the Asia-Pacific during the 1990s. However, during Putin's and Medvedev's presidential tenures, Russia managed to substantially improve its internal situation, enabling Moscow to embark on more pro-active foreign policies in the 2000s.

One of the signs of Russia's return to the Asia-Pacific has been its involvement in the region's key security forums. In 2003, Russia became one of the co-sponsors of the Six-Party Talks. In 2010, Russia finally secured an invitation to join the East Asia Summit, along with the United States. In 2010 Russia also joined the ASEAN Defense Ministers Meeting process (ADMM+8). Thus Russia now holds membership in all the Asia-Pacific multilateral security-political bodies—SPT, ARF, ADMM+8, and EAS.

Russia views its involvement in the Asia-Pacific security forums as a kind of guarantee that its voice will be heard and heeded. Russia's preferred model for the Asia-Pacific political order is a multi-polar concert system, where Moscow is one of the major players, along with Beijing, Washington, Tokyo, New Delhi, and perhaps Seoul and Jakarta. The Kremlin emphasizes the role of the Six-Party Talks as not only the diplomatic vehicle for North Korea denuclearization, but also as the mechanism for "the creation of reliable political and legal guarantees of security in Northeast Asia." At the same time, Russia wants to see the East Asia Summit as a political grouping umbrella in the Asia-Pacific.

While Russia has secured full representation in the Asia-Pacific political institutions, in the economic arena its presence can be characterized as very modest at best. Russia accounts for roughly one percent of the region's total trade. APEC remains the only regional economic grouping Russia participates in. Russia is one of the very few economies in the Asia-Pacific that have no free trade agreements in

the region. Moscow clearly sees the danger of its increasing economic marginalization in the Asia-Pacific and seems determined to change this. In 2010, Russia launched formal FTA negotiations with New Zealand. FTAs with Vietnam and Singapore are also being studied.

Russia's efforts to engage with the Asia-Pacific is one element in its three-pronged strategy of regional integration, the other two dimensions being the Russian-led integration of the post-Soviet space and closer cooperation with the European Union. Moscow's paramount goal is to secure economic reintegration of the post-Soviet space, which should come in the form of the Eurasian Union proposed by Vladimir Putin in October 2011. The number two priority is integration with the European Union, which accounts for the bulk of Russia's foreign trade. Indeed, according to Putin, the Eurasian Union should become part of "Greater Europe". At the same time, Moscow has an ambitious goal of turning the Eurasian Union into a link between Europe and the Asia-Pacific.

Russia's integration into the highly competitive Asia-Pacific markets will only make sense if it can identify and exploit niche areas where its economy has comparative advantages. It appears that Russia's preferred model of economic integration into the Asia-Pacific has similarities to Canada's and Australia's in that it seeks to combine large-scale exports of natural resources with the strong emphasis on innovative sectors such as high-tech, science and higher education. It remains to be seen, of course, whether Russia will be as successful as Canada and Australia in pursuing this path.

The success of Russia's efforts at regional integration significantly depends on whether it has the support of the established Asia-Pacific powers. China is Russia's main "strategic partner" in the region. In 2010 it overtook Germany to become Russia's biggest trading partner. However, it is doubtful that China will ever make it a priority to help Russia become a full-fledged member of the Asia-Pacific system of economic cooperation. Beijing is quite content with having Russia as a reliable supplier of raw materials and is interested in keeping this resource base to itself rather than facilitating Russia's links to other Asia-Pacific markets.

Another major Asia-Pacific economy, Japan, although presumably interested in weaning Russia away from growing dependence on China, is unlikely to do much to assist Russia's regional aspirations. This is, of course, mainly because of the ill-fated dispute over the South Kuriles/Northern Territories still poisoning relations between Moscow and Tokyo.

This leaves another Asia-Pacific power, the United States. It is remarkable that of all the areas, where Moscow's and Washington's geopolitical concerns overlap, it is the Asia-Pacific where their interests are least conflicting and most compatible, whereas in Eastern Europe, the Caucasus, and Central Asia, Russia and America are competitors rather than partners. These two powers do not have irreconcilable disagreements in the Pacific. Although Moscow's influence in Northeast Asia has grown somewhat in recent years, it is too weak to be perceived by Washington as an actual, or even potential, challenge. Russia's

central geopolitical interest in the region is to retain effective control over its Pacific territories, not to expand at the expense of others. This is well understood in Washington. It is also important that both Russia and the United States want to hedge against geopolitical uncertainties stemming from China's rise.

Being non-Asian powers culturally and historically, both Russia and the United States face the risk of being marginalized if the Northeast Asian/East Asian integration evolves towards an exclusive Asian club. That is why Russia and the United States are naturally interested in preserving the trans-Pacific dimension of Asia-Pacific institution building. APEC, as the leading trans-Pacific institution, could become a good venue for promoting Russia's and America's common interests in the Asia-Pacific. Furthermore, joining the American-led Trans-Pacific Partnership, as a long-term prospect, might be a way for Russia to expand its ties to the Asia-Pacific, as well as strengthen its relationship with the United States.

Relevance of an India-Japan-South Korea Trilateral Dialogue

Rajaram PANDA

Institute for Defence Studies and Analyses

In the wake of converging interests and deepening relations between India and Japan as well as India and South Korea in economic and political fronts, the idea of launching an India-Japan-Korea trilateral dialogue seems relevant. The relevance of such an initiative lies in the fact that all the three countries are deepening their economic and security interests by developing institutional framework to address bilateral issues as well as regional ones. India's emergence of a transitional power in the midst of diffusion of power and geopolitical transformation at the global level, the trilateral idea would appear attractive for Japan and Korea to engage with India. The rise of China and its assertive stances on territorial issues draw the three countries also to share common viewpoints.

■ Rationale

As interests of countries in the region are converging, dialogues are taking place at bilateral, trilateral and multilateral levels. Trilateral dialogues are taking place among Japan-Korea-China, and Japan-Korea-US and these are successful. India and Japan have already 1.5 Track dialogue in place. Even South Korea, North Korea and the US are trying to have a trilateral dialogue to discuss the nuclear issue. Therefore, an India-Japan-Korea trilateral initiative does not seem out of place. Even there are talks of an India-Russia-US trilateral initiative.

■ Background

The idea of the trilateral germinated during a dinner reception hosted by the Director General of the Indian Council of World Affairs (ICWA) in April 21, 2011 in honour of a delegation from the Institute of Foreign Affairs and National Security (IFANS) headed by Chancellor Lee Joon-gyu. During the visit of India's Foreign Minister S.M. Krishna to South Korea in June 2010, a Memorandum of Understanding was signed between the ICWA and IFANS and the visit of the IFANS delegation was the first bilateral between the two think tanks.

This author has been following closely the relationship between India and Japan, India and Korea, and Japan and Korea and felt that these three countries share a lot on various issues. It was felt, therefore, relevant to get the three to a common table to discuss issues of mutual

interests.

The idea was floated in the presence of the Joint Secretary (East Asia), Ministry of External Affairs, and South Korea's Ambassador Kim Joong-keun who attended the reception. The idea instantly found appeal. I informed both that I shall raise the issue with the Japanese Ambassador Saiki Akitaka in New Delhi, with whom I had a dinner engagement at his residence the following day, April 22. Amb. Saiki welcomed the idea in principle. Subsequently, I followed up the idea by sending e-mails to three of them to move to the next step.

The initial question was at what level the idea should be launched. There was an opinion that the idea should be institutionalized at government-to-government level straight away but found little favour. At this time when the issue of China's rise is creating anxiety throughout the Asian region, it was argued that the three countries coming together into a common platform might unnecessarily provoke the Asian neighbour. The idea of an India-Japan-Australia-US quadrilateral in 2008 that was aborted before taking off was cited as an example. But the idea of India-Japan-Korea trilateral is not triggered because of China factor. There are a host of other issues in which the three countries can share views.

Following this, Ambassador Kim sent the First Secretary of the embassy to meet me on 29 April to get more detailed idea of the concept that I had in mind. This was followed by a separate meeting with Amb. Kim on 6 July to further fine tune the concept. The first informal

meeting between the two ambassadors, Joint Secretary (East Asia) and me took place over lunch on 14 July hosted by Amb. Kim at his residence, where the concept was discussed threadbare. It was agreed that the concept is a good idea to launch first at Track II level on annual basis by engaging academics to discuss on issues already identified.

Since I was to travel to Korea from October 27, 2011 as a guest of the Korea Foundation for a week and meet several scholars in many think tanks to solicit their responses to the trilateral idea, a luncheon meeting was hosted on 18 October by the Joint Secretary to discuss the next step. It was finally agreed that the concept should be launched at Track 1.5 level by engaging four scholars each from the three countries and discuss the issues already identified earlier in three separate sessions. The host country should organize a keynote speech by a senior official of the government and the officials from the government can have only observer status during the dialogue. It was also agreed that the Institute of Defence Studies and Analyses (India), IFANS (Korea) and Japan Institute of International Affairs (Japan) should be the nodal agencies for this project alternating between the three countries. It was agreed that India, where the concept originated, should host the first meeting in March 2012. But it transpired during my visit to IFANS, April 2012 would be the ideal time as the Korean scholars will be busy for the Nuclear Security Summit that Korea is hosting in March 2012.

■ Response

I found overwhelming endorsement to the idea from scholars in many think tanks that I visited—Korea Institute for Defense Analyses (KIDA), IFANS, Jeju Peace Institute, Korea Institute for National Unification, Yonsei University, and the Institute for National Security Strategy (INSS). Even the Indian Ambassador, whom I called on, welcomed the idea.

During a visit to Japan in September 2011 on a separate program, I raised the idea during my meetings with officials in Ministry of Defense, METI and MOFA. The idea found support. Even two former ambassadors to India and some journalists whom I met, endorsed the idea.

■ Issues to Be Raised

The following topics can be taken up for discussion, though not all of them can be discussed in the first meeting:

- Global power shift and the issue of a regional institutional architecture
- Role of the military in the changing environment, in particular the role in peace-keeping operations
- Nation-state building
- Non-traditional security issues such as terrorism, disaster manage-

ment, climate change, environment, cyber security etc.

- Issue of regional security, securing sea lanes of communications, maritime security, and piracy
- Global governance issue
- Bilateral ties with the US of India, Japan and South Korea
- Nuclear issue (cooperation between the three countries) and nuclear safety
- Issue of global/regional commons
- Af-Pak, China-North Korea-Pakistan nexus vis-à-vis nuclear security threats
- Competing claims over resources in South China Sea, India-Vietnam relations and China's response

Finally, the idea is conceived to be not against any third country but for striving to find common ground for mutual welfare and contribute to the establishment of a peaceful and stable order in the Asia-Pacific.

The US Joining the EAS and the Direction of Collaboration among East Asian Countries: East Asia Regional Collaboration Is Likely to Be Led by G2

KIM Kee-Seok

Kangwon National University

During the George W. Bush administration, the US poured huge resources into the war on terrorism, particularly in the Middle East and Central Asia, following 9/11, and showed relatively little interest in East Asia. In contrast, the Obama administration announced that “the US is back in Asia” upon its inauguration, and has put the “Forward-Deployed Engagement in Asia” policy into action. The US joined the East Asia Summit (EAS) and President Barrack Obama attended the EAS held in Bali, Indonesia in November 2011. At present, the East Asian community faces watershed changes, so it would be significant for the future of the community to analyze what made the US join the EAS now after adopting such a reserved attitude for more than ten years, what the strategy contemplated by the US actually is, and what impact its joining the EAS will have on the

overall EAS system.

The reason why the return of the US in East Asia will have a significant impact on the future of East Asia is because a series of dynamic changes are occurring in the region. In the post-Cold War period, Asia has been making rapid growth and global economic power is being gradually transferred to East Asia. The level of East Asian countries' reliance on the US market is diminishing. East Asians' trust in the US soft power and economy has been dampened by the unilateral attitude taken by the Bush administration, particularly following the global economic crisis that started in the US in 2008 and the global financial crisis in 2011. Furthermore, the view of regionalism adopted by countries in the region has improved dramatically. Regional collaboration projects have been carried out with the focus on diplomacy, finance, trade, and investment on the back of regionalization within the region and the momentum provided by the Asian economic crisis. In the 2000s, regional collaboration expanded to diverse sectors and led to stronger ties among the countries in the region. This means that in the regional security order, which used to be maintained on a "hub-and-spoke" system, the ties between the spokes have become stronger, while the influence of the US, as the hub, has lessened. While the US was intent on fighting the war on terrorism following 9/11, China emerged as the central power in the regional collaboration system by filling in the regional power void successfully based on its rapid economic growth.

Few people will dispute the fact that under such circumstances the

US, which has long played the role of a security guarantor in Asia in the post-war period, can no longer play a leading role in the political and economic order in the region based on its hegemonic power. However, the fact remains unchanged that the US is the most powerful single actor in the region. Allies in the region still rely on US military power for their national security. The US has the most powerful influence on the global economic order and exerts an influence on countries in the region. The statement made by Singapore's Foreign Minister George Yeo at a post-ASEAN Ministerial Conference in July 2008, namely that "no major strategic issue in Asia can be resolved without the active participation of the USA." is thought to remain valid.

There is a strong possibility that the US's joining the EAS will have an impact on the overall structure and direction of the system of collaboration among East Asian countries in a situation in which a number of complicated factors, such as the complexity of the existing political and economic structure of East Asian countries, the emergence of China, the topographical changes in the region, US influence in the region, and changes in its role, are closely linked with each other.

■ US Strategy concerning the EAS

The return of the Obama administration to Asia is regarded as an important policy shift from that of its predecessor, but consistency is also observed in the US policy if focused on the policy of multipartite

collaboration toward the Asia-Pacific (or East Asia) region. First of all, the basic objective of the US is to exert leadership in the pursuit of three factors, i.e., the security and stability of the region, economic opportunities and growth, and the promotion of democratic values and human rights in collaboration with countries in the region. In addition to these principles, which she presented in her policy address in January 2010, US State Secretary Hillary Clinton concretized the US policy direction toward the EAS in her address in Hawaii right before her participation in the EAS session at the end of October of the same year. She said that US participation in the EAS was based on two core principles, namely, that of recognizing ASEAN's central role and that of turning the EAS into a forum for dealing with strategic and political issues, such as the non-proliferation of nuclear weapons, marine security, and climatic change. If the fact that the US refers to APEC as a core body for economic collaboration is considered, the Obama administration's Asia-Pacific strategy can be summarized as the pursuit of universal values—such as freedom, peace, and human rights—through economic development and prosperity with APEC-centered economic collaboration and the EAS-based system of regional stability and peace.

Concerning the future of the system of regional collaboration, the US concentrates on efficiency in collaboration. The US claims that there is a problem of efficiency concerning the Asian bodies of multilateral collaboration, as they remain no more than forums for dialogue despite the contributions they have made in the past, and thus they should do better in the future. They should pursue substantial results

with an efficient governance structure by building their ability to cope with problems “flexibly.”

To the said end, a pragmatic approach, i.e., multi-layered and diverse dialogue channels, is presented. As it were, the US will adopt ad-hoc multilateralism or mini-lateralism based on a “coalition of the willing” as with the PSI (Proliferation Security Initiative) or the Six-Party Talks for efficient decision-making to cope with the concrete issues faced by countries in the region. Furthermore, the US intends to invigorate diverse tripartite talks (such as South Korea-China-Japan; US-China-Japan; South Korea-US-Japan; US-Japan-Australia; US-Japan-India), while adopting multi-layered and diverse dialogue channels, i.e., by participating in sub-regional dialogue forums such as ASEAN, the Pacific Islands Forum, the Lower Mekong Forum, etc. The US intends to push ahead with a result-oriented method, setting up concrete and clear-cut objectives and reaping visible results and putting an end to existing methods associated with “dialogue for the sake of dialogue” or merely presenting directions. The US plans to enhance the efficiency of collaboration by designating well-organized bodies of collaboration that include all interested parties, such as the APEC or the EAS.

■ **Impact on the System of Collaboration among East Asian Countries: East Asia Regional Collaboration Led by the G2?**

With the participation of the US, the East Asia-centered regional collaboration system is faced with competition from the Asia-Pacific

region. It is also highly likely that the East Asia regional collaboration may be led by the “G2.” The US appears to be pursuing regional collaboration among the Asia-Pacific countries. In such an attempt, the US is trying to absorb the existing system of collaboration among East Asian countries into the far-reaching framework of Asia-Pacific by establishing a system of division of work centered on APEC and the EAS. Such a strategy on the part of the US is likely to compete implicitly with the existing China-centered system of collaboration among East Asian countries. The APEC-EAS division of the work system pursued by the US means a change in the structure of the APT (APEC+Three)-centered economic collaboration v. the EAS-centered strategic collaboration, which is implicitly presupposed in the existing system of collaboration among East Asian countries. Past rivalry between East Asia-only regionalism and Asia-Pacific regionalism was a form of leadership competition between China and Japan. With the emergence of the US, however, it is highly possible that the China-Japan leadership competition may be replaced by a “G2”-type leadership competition between the US and China or between the US/Japan and China.

Overall, the likeliness of a G2-led East Asia regional collaboration involves two possibilities concerning the future of the system of collaboration among East Asian countries. One possibility is that maintenance of the status quo with the system of collaboration among East Asian countries will be turned into a multi-strata system through the absorption of the EAS into APEC. Absorption of the EAS into APEC raises the possibility that it would be difficult to push ahead with effective proceeding and reach substantial agreements due to

clashes of interest, with the number of member countries increased to 18, including the US and Russia. Moreover, the US view of the EAS as a body focusing on security strategy dialogues could make it difficult to hold productive discussions and reach an agreement. The stark difference between the positions of the US and China revealed at the session held this time concerning whether to deal with territorial issues points to such a possibility.

The other possibility is that the competition over the systems of collaboration may add vitality to the relevant activities, reinforce the positions of small or medium-sized countries, such as ASEAN, Australia, and South Korea, and bring substantial results. China may strive to invigorate the APT to cope with the US strategy, which may result in APT-centered collaboration among East Asian countries, as only the APT will be left as a body for productive collaboration. Needless to say, such a possibility applies only if the APT continues to maintain its vitality as in the past, and if the 13 member countries continue to maintain their agreement to the role of the APT as “the main vehicle for East Asian community building,” as stated in the joint statement made at the time of launching the EAS. However, Japan has already shifted its center of gravity to the EAS, showing a passive attitude toward the China-led APT. ASEAN, meanwhile, focuses on internal solidarity and community building, caring little about the formality and composition of the members as long as the security and economic interest of the member countries are guaranteed and it can continue to play the role of the main vehicle. Thus, it is difficult to forecast how long the APT will be able to maintain the momentum of

the past.

After all, the two possibilities exist simultaneously and the concrete result is likely to vary, depending on certain issues. Non-traditional security sectors, such as disaster management, marine safety, food, energy security, etc, which are easy to execute, can be expected to bring about synergy effects of collaboration and real results. In May 2009, the ARF VDR (Voluntary Demonstration of Response) was carried out co-hosted by the US and the Philippines. In 2011, the Disaster Relief Exercise (DiREX) was carried out co-hosted by Japan and Indonesia. It is noteworthy that the evaluation and support given by heads of state through the EAS can link EAS with ARF, in that existing forums like ARF or ADMM Plus can lay the groundwork for the development of collaboration in non-traditional security sectors.

In East Asia, regionalization has led regionalism. Thus, collaboration in the economic sector will be brisker than in the security sector. However, finance and trade investment in the same economic sector will show considerable differences from each other. The US's joining the EAS will not have much impact on finance. Financial collaboration is one of the areas that have seen the most advanced collaboration among East Asian countries. The countries have attained the goal of CMI and CMIM and launched AMRO, thus getting close to the realization of AMF, which was frustrated in 1997. However, the US position on the progress made in the area of financial collaboration among East Asian countries is that the country will provide support as long as it corresponds to the international norms based on the IMF

system. Accordingly, the basic framework of APT-centered financial collaboration among East Asian countries is not likely to be affected by the presence of the US.

However, the situation is rather different in the trade sector. The US has pushed forward with the TPP, favoring APEC-centered FTAAP rather than East Asia-centered EAFTA or CEPEA, in which it is not included as a member. Neither EAFTA nor CEPEA has made much progress due to the lukewarm attitude of South Korea, China, and Japan. If the TPP makes significant progress under such circumstances, the center stage of multipartite trade may be shifted to the TPP/FTAAP-centered Asia-Pacific. Of course, it is not clear whether the countries in the region can successfully push ahead with the TPP, which is based on a slightly different strategy, since they failed to reach an agreement for APEC-based trade liberalization. Many problems have been raised about the efficacy of the TPP, which was launched in 2006, although the number of member countries has gradually increased and negotiations are still under way. Many observers have expressed skepticism over whether the deadline for negotiations proposed by President Barack Obama at an APEC session can be met, with even Japan having joined the negotiations in November 2011.

There is no ruling out the possibility that the driving force of the APT may be weakened if the US pushes ahead with an Asia-Pacific-centered agenda at the EAS and APEC. On the other hand, the US leadership may breathe life into the regional collaboration in some areas. Then, it could be said that the success of the G2-led system of collaboration

among East Asian countries depends on how much the number of areas that can achieve real results will be increased with enhanced efficiency. This is supported by the fact that many countries, including the US, Japan, and Australia, stress the importance of efficiency in the EAS.

A Nuclear-Free-Zone in Northeast Asia: Its Prospect and Challenge

MIZUMOTO Kazumi

Hiroshima Peace Institute

■ Obama's "Nuclear Weapon Free World" and Nuclear Weapon Free Zone

Since the Prague Speech of the US President Barack Obama in April 2009, the movement to support the realization of a "Nuclear Weapon Free World" has been initiated. Although the enthusiasm seems to have cooled down due to the uranium reprocessing by Iran, the elevated tension between the two Koreas by the North Korea's attack on Yeonpyeongdo, and the declining public support for President Obama in the US, the goal to establish a world without nuclear weapons is still one of the most urgent tasks for the international community.

Several measures can be imagined for that goal, and creation of Nuclear Weapon Free Zones, especially in Northeast Asia, has been considered of great significance, as well as the enactment of a Nuclear Weapon Convention.

■ NPT Regime and Nuclear Weapon Free Zones

If the world without nuclear weapons is the ultimate goal, the maintenance and continuation of nuclear non-proliferation and disarmament are the necessary conditions for the goal, and to strengthen the regime of the Non-proliferation Treaty (NPT) has been considered vital for this to succeed. Even though Nuclear Weapon Free Zones are not specified in the article of the Treaty, the creation of the Zone in conflict areas such as the Middle East was included as an important measure to strengthen the duty of nuclear weapon states for nuclear disarmament, specified in article VI, in the document “Principles and Objectives for Nuclear Non-proliferation and Disarmament” which was adopted at the 1995 NPT Review Conference.

As such, in the process of pursuing the goal of the creation of a world without nuclear weapons through the NPT regime, the importance of the development of the Nuclear Weapon Free Zone is increasing.

■ Proposals of Nuclear Weapon Free Zones in 1950s

The idea of the Nuclear Weapon Free Zone has emerged as early as the

late 1950s, more than ten years before the establishment of the NPT. For example, in October 1957, the then Polish President Adam Rapacki presented a proposal to establish a nuclear weapon free zone in Central Europe at the UN General Assembly. Also, the Soviet Union and some East and North European nations made proposals between late 1950s and early 1960s, at the UN and the Eighteen Nations Conference on Disarmament in Geneva, to create nuclear weapon free zones in Central Europe, North Europe, and the Balkan Peninsula, none of which was realized in the environment of Cold War rivalry in Europe.

However, nuclear weapon free zones were established and spread gradually in areas where the Cold War structure was less observed than Europe. Now, we have seven nuclear weapon free zones on Earth: the Antarctic Treaty, Treaty of Tlatelolco in Latin America and the Caribbean, Treaty of Rarotonga in the South Pacific, Treaty of Bangkok in Southeast Asia, Treaty of Pelindaba in Africa, Mongolia's Non-nuclear weapon status, and the Central Asian Nuclear Weapon Free Zone.

■ Nuclear Weapon Free Zone in Northeast Asia

When we examine the possibility of further enlargement of nuclear weapon free zones, the Middle East and Northeast Asia are the areas where we need to establish them at the earliest possible time, because of the complexity and seriousness of the nature of tensions and

dangers which might result in the use of nuclear weapons. That is why the final document of the 2010 NPT Review conference clearly mentioned the importance of the creation of a zone in the Middle East.

Regarding the nuclear weapon free zone in Northeast Asia, several proposals have been made since the mid 1990s. In his proposal, Dr. John E. Endicott, Professor at the Georgia Institute of Technology, and his group showed the idea of creating a nuclear weapon free zone in the area within a range of 2,000 kilometer from the DMZ on the Korean Peninsula. This includes South Korea, North Korea, Japan, and Taiwan as a whole, and the partial areas of China, Russia and Mongolia.

In the proposal, the target of removal was limited to non-strategic weapons. Later, however, the shape of the zone was modified to an oval and the size was enlarged to include Alaska after being criticized by some Chinese experts that a partial area of the mainland US should also be included.

Later, the Peace Depot, a Japanese NGO on disarmament, and the Peace Network, a South Korean NGO, jointly proposed in April 2004 a Model Treaty of a nuclear weapon free zone in Northeast Asia. According to the Model Treaty, the geographic target area includes the Korean Peninsula and Japanese Islands.

South Korea, North Korea, and Japan are expected to join as non-

nuclear weapon states and the US, Russia, and China are expected to join as neighbor nuclear weapon states. One of the unique points of the Model Treaty is that the non-nuclear weapon states are prohibited to rely on the “nuclear umbrella” as well as to develop nuclear weapons. On the other hand, nuclear weapon states are banned to use and threaten to use nuclear weapons as well as conventional weapons in this zone, and are enforced the duty of pursuing the early conclusion of negotiation of nuclear disarmament. This Model Treaty is to be revised whenever needed, according to the authors of the treaty.

■ Importance of Nuclear Weapon Free Zone in Northeast Asia

Northeast Asia is one of the hottest zones in the world, where three out of five nuclear weapon states allowed by the NPT to possess nuclear weapons exist. Namely, the US, Russia, and China, and another virtual nuclear weapon state, North Korea. Confidence building measures are very difficult to take root in this area, and the two Koreas are still technically at war since their ceasefire more than 50 years ago. The tension has become intense since North Korea’s attack on Yeonpyeongdo in November 2010.

However, the creation of a nuclear weapon free zone in Northeast Asia would be a great step toward the goal of a world without nuclear weapons, even if the prospect at this moment seems very pessimistic. Further, to continue efforts of improving the environment so that

confidence building measures can be more applicable would someday change the suspicious relationship of the six nations in this area. I believe that Japan, a nation which experienced the real danger of both military and civil use of nuclear energy should take the initiative, and citizens of Hiroshima and Nagasaki should support it.



2011 JPI1 PeaceNet Series

Part III

Global Issues and
International Relations

Significance of the US-China Summit

LEE Dong Ryul

Dongduk Women's University

■ Bilateral Conflicts Temporarily Assuaged

The US-China Summit, which was held at the beginning of the second decade of the 21st century, became the focus of worldwide attention. At the meeting, the leaders of the two countries presented a new vision of the bilateral relationship using such phrases as “mutual respect” and “collaboration,” “the construction of a mutually beneficial partnership.” Indeed, such terms emerged as summit keywords and characterized the meeting in the press.

Since the beginning of 2010, following President Barack Obama's visit to China in 2009, the US and China have conflicted with each other over a series of issues including the US sale of weapons to

Taiwan, President Obama's personal meeting with Tibet's spiritual leader, the Dalai Lama, the US position on China's claim to islands in the South/East China Sea, the sinking of the South Korean navy ship ROKS Cheonan, North Korea's shelling of the South Korean island Yeonpyeongdo, and US demands for monetary appreciation of the Chinese Yuan and the release of Chinese political prisoners along with Nobel Peace Prize winner Liu Xiaobo. International observers even expressed concern over the possibility of a new cold war era due to the souring of the relationship between the two countries. The Summit went a long way toward mitigating such concern and showed that the relationship between the US and China was returning to one of mutual collaboration.

It is noteworthy that in the joint statement released after the summit, the United States reiterated that it "welcomes a strong, prosperous, and successful China that plays a greater role in world affairs" and China said it "welcomes the United States as an Asia-Pacific nation that contributes to peace, stability and prosperity in the region," thus displaying a spirit of mutual respect. Following the sinking of the Cheonan in March 2010, the two countries became embroiled in conflict amid the competition for greater influence in the East Asia, which saw China trying to expand its regional sphere of influence and the US fighting to recover its traditional influence in the region. The Summit showed that the two countries were willing to meet halfway, with each regarding the other as a necessary partner.

To summarize, the summit showed that both countries believe the

rivalry for influence in the region will go nowhere, except towards their respective national interests. China should continue to build up its strength as a superpower, a process which requires collaboration with the US both realistically and strategically. For China, regime stability has emerged as one of the most important issues in connection with the forthcoming wholesale switch of power to the fifth generation of leaders in 2012. The US also needs to maintain a collaborative relationship with China, as it has a mountain of problems to resolve including Afghanistan, Iran and the recovery of the domestic economy.

It can also be said that the current reality of international politics was reflected at the summit. The possibility has weakened of maintaining the international order under the leadership of a single superpower following the global financial crisis that started in 2008, while a new sense of international multilateralism led by the G2 or G20 has emerged as an alternative global governance structure. The two countries appear to have accepted that it will be difficult, realistically, for any single country to monopolize the position of leader in the international system. In other words, they appear to have accepted that they should inevitably recognize each other's status and cooperate in a grander context, although they will inevitably compete and come into conflict over individual issues from time to time.

■ A Collaborative Relationship Hardly Guarantees Stability

Still, it remains debatable whether the two countries can continue to

be optimistic about their bilateral relationship; Chinese Foreign Minister Yang Jiechi appraised Hu Jintao's recent visit to the US as "a trip that explored a new phase in the relationship of collaborative partnership." One can read the painstaking effort made by the two countries to show that they have reached an agreement on a considerable number of areas as stated in the joint statement comprising 41 items in 6 sections.

Meantime, a closer look into the contents of the joint statement shows that the controversial points that caused conflict between the two countries in 2010 remain unresolved. The two countries failed to hide the fact that they hold different views on such issues as human rights in China, Taiwan, and Tibet. In his speech in Washington DC, Chinese President Hu Jintao referred to matters related to Taiwan and Tibet as those of Chinese territorial integrity and a "core interest" and as having to do with the sentiment of China's 1.3 billion people. Concerning the US's demand for the appreciation of the Chinese currency, it appears that China assuaged US complaints with an offer to import 45 billion dollars worth of US goods. They also appear to have reached an agreement on North Korea's nuclear program in principle, but failed to present a new, workable solution.

It is not clear whether the two countries succeeded in drawing up a blueprint for the future world order at the summit despite the visions presented in the form of diplomatic rhetoric. It is thought that the two leaders met halfway, seeking common ground despite their differences, due to their respective political needs to conclude the summit success-

fully. Mr. Hu Jintao needed to reinforce the legitimacy and stability of the leadership of his country in connection with his forthcoming step-down as Chinese President in 2012, by reminding the world that China is emerging as a power equal to the US. President Barack Obama also needed an appraisal to the effect that the economic concessions he won from China have helped the country to extricate itself from the economic recession in connection with his forthcoming reelection campaign.

Following the Summit, the two countries will move on to the path of a collaborative relationship, leaving their conflicts behind. However, it is difficult to predict whether their relationship will remain stable despite collaboration. The bilateral relationship is developing as something both vital and complex, as stated in the joint statement. Unlike the bipolar system between the US and the USSR during the Cold War era, the current relationship between the US and China is developing in such a way that their interdependence is increasing, with more incentives for mutual collaboration, but at the same time the bilateral relationship contains issues that may lead to sentiments of competition, conflict or even confrontation. The recent Summit also revealed another aspect of the complex relationship between the two countries: It is highly likely that the bilateral relationship will go through phases of competition, conflict and collaboration in the future, with the complex factors interacting among each other. Something that causes concern among Koreans is that a potential inability to accurately grasp the complexity of the relationship between the US and China may deliver an unexpected, devastating jolt as they wake

up to the fact that their country has a vulnerable security structure and an easy-to-split domestic political topography.

The summit dealt extraordinarily with the Korean Peninsula issue as a core item of the agenda. In addition, the two countries reached a compromise in a greater context on the Korean Peninsula issue, unlike on other controversial issues. They expressed concern over the heightened tension on the peninsula triggered by recent developments, and agreed that the critical importance of maintaining peace and stability on the Korean Peninsula called for necessary steps to be taken that would allow for resumption of the Six-Party Talks process and sincere and constructive inter-Korea dialogue.

In that process China agreed to include the concern over North Korea's uranium enrichment program (UEP) in the joint statement. The US even added that the expression of such concern in the joint statement laid the basis for South Korea to return to the inter-Korea talks and that the two Koreas' recent agreement on the high-level military talks was an important result of the US-China Summit. It is not difficult to find traces of a give-and-take type compromise they made in connection with the need to have the two Koreas return to the inter-Korea dialogue and the Six-Party Talks.

■ Implications of the US-China Summit

We Koreans need to draw some important diplomatic lessons from

and understand the implications of this summit. First, there is a greater possibility that the destiny of the Korean Peninsula may be left to the conflicts and compromises made between the US and China, regardless of what Koreans themselves really want. And we can see that basically neither of the two big countries want to see an abrupt change in the situation or further instability concerning the Korean Peninsula. The joint statement shows that the two countries are aware of the possibility that their bilateral relationship could deteriorate due to the Korean Peninsula issue. It indicates that, ultimately, China's relative influence on the Korean Peninsula issue will increase, whereas Koreans' say in issues that will determine their destiny may well decrease.

In the wake of the Cheonan incident, we Koreans could not help but watch the way in which the situation on the Korean Peninsula rapidly developed into a conflict between the US and China. We should learn a sharp lesson from the fact that we had no choice but to agree to dialogue with the North in accordance with the outcome of the compromise made between the US and China. We must realize that we need to secure our own position on the Korean Peninsula issue, keeping in mind that no issue is more important than this one with regard to our own future, with the aim of minimizing the impact of the relationship between the superpowers on the peninsula and of realizing the ultimate task of unification of the homeland. Concerning the forthcoming resumption of dialogue with the North, we need to bear such a lesson in mind in making well-knit preparations for dialogue and play a leading role in formulating progressive agenda

items that can be effective in finding a solution to the Korean Peninsula issue.

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Social Media and Diplomacy

HAN Intaek

Jeju Peace Institute

The winds of democratic change are blowing in the Middle East, jeopardizing the positions of their long-time leaders. Under such circumstances, social media are becoming the focus of attention. How powerful is the influence of social media? How can they be used as a diplomatic policy tool? What influence do they have on the formulation and execution of a country's foreign policies?

■ The Power of Social Media

There is no consensus as to how powerful social media are. There are people who think that the power of social media is “revolutionary” as

it threatens even the position of those who have exercised absolute power and is carrying ideas about democracy even into very conservative Middle Eastern countries. But there are others who think that the power of social media is overly exaggerated and misunderstood.

With regard to the current situation in the Middle East, the belief that the power of social media is only limited can be divided into two views, as follows:

First, those who hold such a view say that opposition leaders and street demonstrators have not relied so heavily, if ever, on social media. They point out that governments would shut off the cell phone network and the Internet if there was even a whiff of a threat from social media. They also say that outsiders misunderstand and think that social media play an important role in the current situation in the Middle East, as news of street demonstrations was spread to other parts of the world chiefly through social media due to the limited freedom of speech. As it is, social media have not played a significant role in encouraging the formation of oppositions in the Middle Eastern countries, although they went a long way in drawing outsiders' attention to that part of the world.

Second, some holders of this view say that social media could be used to launch a large-scale online signature campaign or heated debates, but fell short of organizing a mob that would be prepared to risk arrest and torture or would not be intimidated by indiscriminate shooting by the police. In other words, the opposition's "high-risk/cost" activities

were put into practice under the leadership of offline organizations, although social media might have provided a catalyst for “low-risk/cost” online activities.

■ Social Media as a Foreign Policy Tool

If social media does indeed prove to be so powerful, it follows that the possibility of using them as a foreign policy tool should be considered. However, it is difficult to judge which one of the two foregoing views about the role of social media is more accurate at the moment, given that the situation in the Middle East is still in progress.

It is thought that these two views indicate that the power of social media is not something uniform or fixed, but something that varies depending on the context and purpose.

For one thing, social media can play a crucial role as an alternative where there is only limited freedom of speech or where a subject is not being dealt with by existing mass media. If the Middle Eastern countries had granted sufficient freedom of speech, many discussions currently held through social media would have been made through existing mass media, which means that the importance of social media would not have emerged so conspicuously. In terms of the level of technological development, social media can only exert an influence in countries where the Internet or cell phones have reached a certain level of penetration. The Middle Eastern countries in question do not

figure among the countries that have reached such a level of cutting-edge information technology. In terms of groups of people, younger people and people with a higher level of educational attainment are more likely to be influenced by social media due to the characteristics of information technology and the relevant equipment. It is also thought that social media are more effective in encouraging people to engage in “low riskcost” activities.

Such being the case, it is necessary to adopt a strategy of using social media in consideration of target countries or target groups of people, based on the objectives of diplomacy, as the power of social media varies depending on the context and purpose.

■ Foreign Policy and Social Media

Social media can be used as a tool of foreign policy, and, conversely, the process of establishing and executing a country’s foreign policy can be influenced by social media. One such example is the candle-lit street vigil held in Seoul in relation to the issue of mad cow disease in 2008.

The influence of social media on the establishment and execution of a country’s foreign policy can be thought of in the light of two key terms, i.e. ‘collective intelligence’ and ‘smart mobs’.

‘Collective intelligence’ refers to a process by which the grassroots majority, who are not experts about an issue in question, obtain

collective ability through interaction. Wikipedia is an example of a group of ordinary people reaching a professional level of intelligence that extends beyond their individual intellectual ability. Sometimes, a person or a small group of people influence(s) public opinion by disseminating inaccurate knowledge, as in the case of 'Minerva,' an economic opinion-maker in the 'agora'. The thing is that the general public has come to be involved in the establishment and execution of a country's foreign policies as a result of the knowledge they acquire by their own efforts thanks to the development of social media. Such being the case, governments find it hard to set the state agenda alone without heeding the opinion of the general public, or hardly find themselves superior to the general public in terms of the breadth of their information or the depth of their knowledge. Even in the past, attempts were made to impose checks on governments, mostly by the mass media.

Turning to the emergence of 'smart mobs,' bloggers, repliers and tweeters consider taking collective action when they feel that politicians or political parties do not respond to the general public's opinions sufficiently or when their views are not reflected in the policy-decision-making process. In such cases, social media facilitate their collective actions, making it easy to raise or spread an issue and have those with similar thoughts gather together. In the past, individuals were indifferent to social issues and remained powerless as they lacked information. Now, they know how to form a powerful mob with the help of social media.

The development of social media is bringing about rapid changes throughout the world. With proper understanding and use of the power of social media, the country will be able to choose from more diverse foreign policy tools and accomplish foreign policy objectives more efficiently. In the meantime, it should not be overlooked that social media may influence the process of establishing and executing a country's foreign policy.

It is desirable to have the general public take part in the establishment and execution of a country's foreign policy through social media from a democratic perspective. However, the problem is that the stability, objectivity or propriety of the process of foreign policy formation may be jeopardized, if opinion-makers like "Minerva"—rather than those with collective intelligence supported by expertise and objectivity—lead public opinion, while traditional channels of political participation like political parties or parliament are ignored due to social media.

Human Rights Issues in Developing Countries

YI Seong-Woo

Jeju Peace Institute

In May 2011, a number of major international human rights conferences were held, including the UN Working Group of the Human Rights Council on the Universal Periodic Review (UPR); the 46th session of the CESCR (UN Committee on Economic, Social and Cultural Rights); the European Committee for the Prevention of Torture; and the 57th session of the Committee on the Rights of the Child. However, the overall status of the human rights situation appears to be deteriorating despite such efforts.

The demand for democratization in the Middle Eastern countries began in Tunisia when a young man committed suicide by setting himself on fire. The movement spread to Egypt and the country's long-time dictator Hosni Mubarak was forced to resign. In Libya, the

people's demand for democratization and the resignation of Muammar Gaddafi collided with the dictator's unwillingness to step down. In other Middle Eastern countries, such as Syria, Yemen, Jordan and Bahrain, the people's thirst for democratization took the shape of large anti-government street demonstrations. The number of civilian casualties has continued to increase due to their governments' repressive posture against demonstrators. Thus, in this respect, too, the human rights situation appears to be taking a turn for the worse.

The current process of democratization in the Middle East, which has also been dubbed the "Jasmine Revolution," is causing considerable ripples in East Asia. China and North Korea impose stringent controls on their people, fearing that the winds of democratization in the Middle East may have an impact on them. The Chinese authorities banned the use of the word 'jasmine' on the Internet, arrested the artist Ai Weiwei, and cracked down on public gatherings. In North Korea, it is said that its diplomats in Libya are not being allowed to return home for fear that news of the democratization movement in Libya may reach its people, but the reality of the human rights-related situation in North Korea is not clearly known.

In most underdeveloped or developing countries, where the concept of democracy is virtually inexistent, human rights are in such a parlous situation that personal integrity right or human dignity is mostly ignored. There are numerous cases of human rights violations, including illegal imprisonment, torture, disappearance and political assassinations, some of which involve state institutions using what

appears to be legal means. In many cases, those who have the power to do so employ the logic of national security and economic development as pretexts for concealing or covering up their human rights violations. Authoritarian regimes are likely to clamp down—by violent or highly repressive means—on factions engaged in acts that “hamper national security,” having previously endowed themselves with the legal right to use force. In many cases they are likely to say that their country must concentrate all its strength on development and that those who complain jeopardize national security as they distract attention from such efforts. In other words, they are intent on finding plausible excuses for their human rights violations.

Certain governments, including those of China and North Korea, impose curbs on freedom of expression or physical restrictions on their people while adopting a grandiose discourse on the relativist concept of human rights, which runs counter to the principle of universalism. The concept of universal human rights is enshrined in the Universal Declaration of Human Rights adopted by the UN General Assembly in 1948. The conceptual core of universal human rights is that every one is entitled to all the rights and freedoms stated in the declaration without distinction of any kind, such as race, color, gender, language, religion, political or other opinion, national or social origin, property, birth or other status. In contrast, the relativistic concept of human rights holds that it is difficult to apply Western ideas of universal human rights uniformly as every country has its own specific history and culture, and exceptions should be recognized. However, in connection with this view, it should be pointed out that

one important factor in recognizing relativism is that more rights should be granted to the minority or the socially weak. In many countries where democratization is under way, relativistic exceptions work in favor of the majority or the socially strong, which inevitably results in the suppression of the social minority groups.

Scholars point to four factors that cause the human rights violations committed by a state power to take a turn for the worse, namely, 1) foreign countries' intervention in a militarized dispute; 2) civil war between domestic political factions; 3) an extra-Constitutional change in the political order; and 4) the power concentration. The foregoing factors can bring about extreme forms of human rights violations throughout the relatively short period of the democratization process. In particular, extra-Constitutional change in the political order is associated with human rights violations that take place during the state of confusion that generally precedes the establishment of a new political regime following the collapse of a totalitarian regime. In contrast, the last factor, i.e., the power concentration, refers to a situation where there is no hope of improving the human rights situation due to the existing dictatorship's adherence to a policy of systematic and steadfast repression on individual human rights in order to maintain its political power.

From such a perspective, it can be said that Egypt is in a better situation than its neighboring countries, as Libya is in a state of confusion, while other countries such as Syria and Yemen are going through an incipient stage of democratization in which the existing

dictatorship is clamping down on the people. As for China and North Korea, the Chinese authorities prevent the people from raising their voice concerning the improvement of the country's human rights situation, while North Korea is an example of the worst possible human rights-related situation wherein even the reality of the situation cannot be monitored or assessed with any clarity.

Concepts such as peace and cooperation can make good progress in East Asia only if the number of governments that respect democracy and human rights continues to increase. Military security should be acquired through the sharing of universal values like democracy and human rights from the long-term perspective.

International Collaboration on Cyber Security

KIM Sangbae

Seoul National University

■ Cyber Spear vs. Digital Shield

During the Chu Dynasty in China, a man was seen selling a spear and a shield in the market. He shouted loudly in praise of his spear: “My spear is the sharpest one in the world and can pierce through anything.” Then he began singing the praises of his shield: “My shield is so strong that no matter how sharp the spears and arrows are, they can’t go through my shield,” whereupon a man asked him: “Then what would happen if you pierced your shield with your spear?” He had nothing to say.

An increasing number of computer hackers proudly claim that they can break through any firewalls. Hacking skills are developing day by

day and new computer viruses continue to appear. Computer security experts say that they can fend off any attack from hackers with their firewall technologies, vaccine programs and techniques for finding hackers' hideouts. It is not for us to say who will be the final victor in this digital era version of the "all-piercing spear and the unpenetrable shield" story. It is not a simple matter and we need to be very cautious when making statements as to who will be the winner. The foregoing story about a Chinese tradesman was about how to fend off a spear attack with a shield. The digital era version of the story, however, is about how to fend off an attack by many spears with many shields. The issue of cyber security, which concerns how to fend off cyber attacks or acts of cyber terrorism, is a representative example of an asymmetrical war in which diverse actors take part against a backdrop composed of a complex network environment.

■ **Non-State Actors, State Actors and Cyber Security**

Basically, cyber attacks or acts of cyber terrorism are games played by network-based, non-systematically organized actors, not by state actors. Thus, they are complex games in which it is hard to identify the main culprit, given the way they are played and their nature. Let's take the recent DDoS attack in this country, which became the focus of widespread attention, as an example. In a DDoS attack, the actors spread malicious codes and hacking tools to a number of personal computers, thus transforming them into "zombie" computers. They use the zombie computers to generate a large volume of traffic,

targeting specified servers, in an attempt to render the servers unable to carry out their proper functions. These acts are carried out in a non-linear way, involving computers and human actors compositely, which means that it is not easy to identify the agent of the attack. Indeed, the network itself becomes a culprit in such cases.

Here, “network” does not refer to an ordinary network formed of nodes linked with each other. It is a “complex network” that has a flexible outward boundary like an amoeba; it can change its appearance freely like the Lego bricks; also, it can restore any damaged part like a lizard’s tail in no time. Recently, networking expenses have been reduced dramatically with the rapid expansion of the Internet. Under such circumstances, non-state actors that rely on the mechanism of such a complex network have come to the fore, wielding a unique type of power that was unimaginable in the past.

Cases in which non-state actors exert power by relying on the Internet are found in various areas of the knowledge/information-based society, particularly in the field of cyber security. Ironically enough, the Internet itself provides the means that enable the actors to exert such power. With the Internet influencing our daily lives to an ever greater extent, any shutdown of the Internet is capable of dealing a lethal blow to a community. Moreover, we need to understand that it is due to the structural attributes of the information system, in the shape of the Internet, that such non-state actors can exert a serious threat to the world, although they are powerless themselves.

Even a well-designed information system cannot free itself from bugs, which are byproducts of its complex technical system. Such a loophole (also called an “exploit”) becomes a target of attacks from hackers. The very structural attributes of the complex network provide vulnerable spots that affect the entire system. A few loopholes do not cause the network to shut down. However, if they are attacked seriously, it is not easy to block the impact of such an attack on the entire network, and all the more so because hackers aim to disturb software programs rather than destroy hardware in a limited sector. Computer viruses or malicious codes are leading examples of culprits that seek to disturb normal functioning of the system by seeping through such loopholes.

Among those who succeed in seeping through such loopholes are relatively innocent hackers. However, the issue becomes serious when the culprits are terrorists seeking to destabilize a social system. Furthermore, sometimes the acts of state actors are hidden behind those of non-state actors. Recently, a controversy arose when some people insisted that the Chinese government had played a backstage role in the attack perpetrated by Chinese hackers against users of Google’s email service. It has also been claimed that North Korea operates a cyber unit composed of 3,000 hacker troops and that these have perpetrated cyber attacks against the South on several occasions. The North is said to have boosted its cyber warfare strength strategically, along with the development of nuclear weapons, to make up for its weakness in terms of conventional warfare strength, due to concerns about the safety of the regime following the war against terrorism

waged by the USA.

Viewed from such a perspective, there is every possibility that cyber attacks and acts of cyber terrorism, which have thus far remained pretty much a game involving non-state actors, may turn into a cyber war between state actors. Cyber warfare is being talked about as a new means of warfare that can shut down a country's socioeconomic system or thwart a state's ability to wage physical warfare by attacking its information infrastructure and strategic data. Realistically, there is a high possibility of cyber attacks being waged between two countries in the initial stages of a more conventional war. Suspicions were raised that the Russian government was behind the DDoS attack waged prior to her attack on Georgia in 2008 or the cyber attack against Estonia in 2007, although the Russian government denied its direct involvement in the cyber attack.

State actors take it upon themselves to play the role of "digital shield" against attacks from "cyber spears," although they may also become the key actors of cyber attacks. In a report recently published by the White House under the title "International Strategy for Cyberspace" (2011), it strongly raised the need to cope with cyber terrorism at the national level. In May 2011, the US Department of Defense announced that it would even consider using missiles to fend off cyber terrorism attacks, in what amounted to an overt display of the US government's resolute attitude. The announcement sounds rather paradoxical, as it is doubtful against whom such an extreme form of retaliation could actually be targeted. The US anxiety lies in the fact that it is not easy

to prepare against an identified enemy that is likely to wage a cyber attack as noted in the foregoing.

■ **Need for International Collaboration on Cyber Security**

Such being the case, it is only natural that the need for more comprehensive international collaboration should be recognized more widely, as it is not enough for a single country to attempt to cope with matters relating to cyber security. The aforesaid report published by the White House in 2011 also stresses the need for international collaboration in the domain of cyber security. In retrospect, many countries have joined the effort for international collaboration against cyber crime or terrorism over the past decade. The European Convention on Cybercrime 2001 was an example of an effort made in the early days to establish an inter-governmental network for mutual coordination of the legal system. Even Asian countries have discussed the need for international collaboration for cyber security within the framework of ASEAN+3 or APEC. The e-ASEAN Project 2000 and the 4th ARF Seminar on Cyber Terrorism 2007 held in Seoul are examples of such efforts. APEC is also trying to settle issues concerning cyber security in the Asia-Pacific region in collaboration with ASEAN and the OECD.

To summarize, cyber attacks and acts of cyber terrorism perpetrated using the mechanisms of a complex network are not an issue that can be settled by a single country's efforts to come up with countermeasures

or to overhaul the relevant laws and systems. Essentially, it is necessary to look for solutions through close international collaboration, as this problem occurs beyond national borders. More technically, it is necessary to move beyond “inter-national” politics (i.e., politics involving state actors) if we are to resolve cyber security-related issues. In other words, state actors need to establish “inter-network” politics with digital shields in connection with the need to fend off the supranational network of non-state actors dedicated to attacking state systems with “cyber spears.”

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US Fiscal Crisis and its Impact on Korea-US Relations

KIM Hyun-Wook

Institute of Foreign Affairs and National Security

The Obama administration recently had its debt ceiling raised based on an assurance of reducing government spending as a desperate measure to prevent the sovereign default of the US. It is forecasted that the cut on government spending will impede the internal and external policies of the Obama administration. Further, the administration will inevitably have to reduce its defense budget because of the deepening financial crisis. This paper will review circumstances of the debt ceiling readjustment and the details of the defense budget cut, discussing their implications on future US foreign policies and Korea's desirable response to it.

■ Circumstances of Debt Ceiling Readjustment

The US government debt amount has increased since the 2008

financial crisis. The current Obama administration stimulated economic growth with a quantitative easing policy subsequent to its inauguration in 2009, thus further aggravating US budget deficits. The US administration has urged Congress to raise the public debt ceiling to prevent further worsening of financial deficits and a sovereign default. The public debt ceiling was first raised by the Second Liberty Bond Act of 1917 to provide financial support for the US participation in World War I. The debt ceiling was raised on a total of 78 occasions (49 times under the Republican administration and 29 times under the Democratic administration).

The Republicans started controlling the increase of the public debt ceiling by the Obama administration when the 113th Congress session started. A full-scale controversy in the political arena began in early April right after a budget compromise was reached for the 2011 fiscal year. The initial compromise attempt failed because of differences between the Democrats and the Republicans in terms of performance conditions for a proposed deal that would increase the debt ceiling by 2.4 trillion dollars while reducing the budget debt by 2.4 trillion dollars over 10 years. The Democrats expressed a position in which they would reduce budget deficits by mainly increasing tax revenues, by withdrawing tax cuts for large enterprises and the wealthy. On the contrary, the Republicans hold a basic position against tax increases. They argued that the budget deficits should be reduced by cutting government expenditures for health insurance and social security benefits, which the Obama administration focuses on.

On the 25th, Senate Majority Leader Harry Reid proposed a deal, increasing the debt ceiling by 2.4 trillion dollars by 2012 while reducing government spending by 2.7 trillion dollars over the next 10 years. Speaker of the House John Boehner proposed a two-stage deal against the Reid deal. Boehner proposed that the debt ceiling be raised again by 1.6 trillion dollars by the end of next year only if Congress approves reforms for tax and social security programs after raising the debt ceiling by one trillion dollars by the end of the current year and under the condition that government spending be reduced by 1.2 trillion dollars over the next 10 years. The two parties finally agreed on a debt ceiling increase on July 31. The agreement was approved by the House on August 1st with 269 affirmative votes and 161 negative votes and by the Senate on August 2nd with 74 affirmative votes and 26 negative votes.

〈Table 1〉 Details of Agreement on Debt Ceiling Increase

Debt Ceiling	Increase by a minimum 2.1 trillion dollars
1st Phase Spending Cut	900 billion dollars expenditure cut over next 10 years. The cut will apply to discretionary expenditures subject to House approval.
2nd Phase Spending Cut	Reduction of an additional 1.5 trillion dollars worth of expenditures. Details will be discussed by a special 12-member House Committee. The Committee shall submit a spending cut bill by November 23rd, and it shall be voted on by the Senate and the House by December 23rd. If the bill fails to pass the House, 1.5 trillion dollars shall be automatically reduced from defense and non-defense spending.

Defense Budget Spending	350 billion dollars shall be reduced from the defense budget over the next 10 years through the 1st phase spending cut. The US defense budget was roughly 700 billion dollars last year.
Defense Budget Spending	350 billion dollars shall be reduced from the defense budget over the next 10 years through the 1st phase spending cut. The US defense budget was roughly 700 billion dollars last year.
Taxes	The current agreement did not include a tax increase.
Constitutional Amendment	The US House shall vote by the end of the year on a proposed amendment to the US constitution for inserting a balanced budget clause. Then, the debt ceiling will be raised by an additional 1.5 trillion dollars.

■ Reduction of Defense Budget

Former Defense Secretary Robert Gates released a Statement on the Department Budget and Efficiencies on January 6th of 2011 to disclose a defense reform plan for reducing the defense budget for the next five years. The core details are that the defense budget will be reduced by 178 billion dollars over the next five years. In the spring of last year, Secretary Gates had already suggested an objective of a 100 billion-dollar spending cut by the US Army, Navy and Air Force, respectively, and suggested that the amount be reinvested in higher priority areas. It is estimated that the defense budget will be reduced by a total of 178 billion dollars, leading to a 78 billion dollar savings by the Defense Department.

The defense budget will be reduced at the Department by 78 billion

dollars over the next five years (FY 2012-2016). The FY 2012 defense budget proposed by the Defense Department amounted to 675.7 billion dollars, including 553 billion dollars for maintaining military bases and 117.8 billion dollars for Overseas Contingency Operations (expenses for carrying out the wars in Afghanistan and Iraq). On July 8th, the US House of Representatives plenary session approved the FY 2012 defense budget of 649 billion dollars with 336 affirmative votes and 87 negative votes. In addition, the US Army and Marine Corps will be reduced to 47,000 troops, that is, six percent of the total, from 2015 following a US military withdrawal from the war in Afghanistan. The Army will be reduced by 27,000 troops and the Marine Corps by 15,000 to 20,000 troops. It is estimated that the defense budget will be cut by six billion dollars from 2015 to 2016. The budget for new weapons will also be reduced. 14.4 billion dollars will be saved by canceling the planned introduction of new-generation Expeditionary Fighting Vehicles (EFVs) by the Marine Corps and an additional 4.6 billion dollars will be saved by re-reviewing the proposed expenditure to be paid to Lockheed Martin for developing F-35 fighter planes.

Leon Panetta, newly appointed Defense Secretary, opposed the proposed reduction of government spending recently agreed on by Congress. The details of the agreement for reducing US government expenditures included one trillion-dollar reduction in the first phase in the next 10 years and having the Congress Select Committee negotiate on the 2nd phase reduction of the additional 1.5 trillion dollars by the year-end. If the agreement fails, 1.2 trillion dollars shall be reduced unconditionally, one half of which shall be reduced from

the defense budget. Congress has already agreed on the 1st phase of the defense budget reduction by 350 billion dollars. It is still probable that the defense budget may be reduced by up to a total of one trillion dollars, in the worst case, as an additional 600 billion dollars will have to be reduced if no agreement is reached by the year's end.

■ Implications and Assessment

The future policy implementation by the Obama administration will be obstructed by the current increase of the debt ceiling based on the commitment for government spending reductions. The compromise turned out to be disadvantageous to the Democratic policies as President Obama and the Democratic Party were unable to increase taxes on large enterprises and the wealthy, and social security spending, such as those for Medicare, needs be cut further as a result of reducing the financial deficit they negotiated with a principle of balance between tax increase and fiscal deficit decrease. Further, though the debt ceiling deal was closed, it is impossible to cure the fundamental problem that the US government's expenditures depend on borrowing up to 40%. As the economic recession and aggravated financial crisis have resulted in a lowered US sovereign credit rating, it will cause a significant setback to the global economy. In fact, the US economic growth rate in the 1st quarter of this year declined from 1.9% to 0.4%, and it remained at 1.3% in the 2nd quarter. President Obama's approval rate declined to a record low of 40% after the debt ceiling increase.

Korea needs to prepare itself or take countermeasures as the US defense budget cut will have the below-listed implications:

First, China will likely continue its offensive diplomacy in Asia. China has increased its defense budget 10% each year since 2003. On the 10th of August, China's first aircraft carrier conducted a navigation test. On the other hand, the US is going to cut its defense budget by 350 billion dollars over the next 10 years and withdraw 47,000 troops from 2015. This trend will exaggerate China's perception of the US situation and China is likely to take a more aggressive stance on, or role in, foreign policies.

Second, the US will likely request that South Korea increase a greater share of the US defense budget related to the Korean Peninsula since the US fiscal deficit continues to grow while the defense budget is reduced. It is anticipated that the US will demand that Korea increase her share of the defense spending in Korea sooner or later when the US military bases are relocated, while the wartime military command is being turned over to Korea at the end of 2015.

Lastly, Korea needs to foster independent defense capabilities because of the reduction of the US defense budget while China is emerging. At present, the Japanese government plans to deploy additional new-model fighter jets while increasing its submarine fleet from 16 to 22 boats in the next five years. Some Japanese further argue that Japan needs to be equipped with aircraft carriers and nuclear weapons to counter China's military modernization. The US is already switching

its focus in its defense budget to higher priority areas due to the worsening financial deficit. This will likely affect the US provision to assist its allies and deter proliferation. In fact, limits in exercising the US military force are exposed. Some criticize that the US deterrent force was not properly provided to Korea during the incidents involving the Korean naval ship ROKS Cheonan (PCC-772) and the Yeonpyeong Island attack. Therefore, the Korean government needs to concentrate or focus on increasing its own independent defense capabilities from now on.

Significance of the 2012 Seoul Nuclear Security Summit

PAIK Ji-ah

Ministry of Foreign Affairs and Trade of the Republic of Korea

■ The Largest Summit Ever Held in Korea

The 2012 Seoul Nuclear Security Summit, which is scheduled to take place on March 26-27, 2012, will be the largest summit ever held in Korea, involving the participation of more than fifty heads of state and the representatives of numerous international organizations. The Government launched the 2012 Seoul Nuclear Security Summit Preparation and Planning Corps, headed by the Foreign Minister, in March 2011, in addition to the committee, headed by the Prime Minister, formed to organize the event.

As the host country, the South Korean Government is coordinating the agenda to be discussed at the event through the official channels

for organization of the summit, such as the Sherpa Meeting and the Sous-Sherpa Meeting, and is playing a leading role in drafting the wording of the conclusion of the event. At the Sherpa Meeting, to be held in Helsinki, Finland on October 4-5, 2011, with South Korea presiding, attendees will discuss how to draft the Seoul Communiqué to be adopted at the end of the Seoul Summit.

■ **Serious Threats of Nuclear/Radioactive Terrorism and Importance of the Nuclear Security Summit**

The terms “nuclear security” and the “Nuclear Security Summit” may sound unfamiliar to lay people. Indeed, for many people, the term “nuclear security” may conjure up images of nuclear disarmament, non-proliferation of nuclear arms, or the nuclear programs of North Korea and Iran. However, nuclear security is a concept associated with nuclear terrorism. In short, the Nuclear Security Summit is a meeting for discussion of the measures to be taken by countries and ways of promoting international collaboration to prevent nuclear/radioactive terrorism and to protect nuclear/radioactive materials and the relevant facilities from terrorists and criminals.

The Nuclear Security Summit is important because the threat of nuclear/radioactive terrorism faced by the international community is more serious than it appears. It is not easy for terrorists to obtain nuclear weapons or highly enriched uranium (HEU) and plutonium, which can be used to make nuclear weapons, but various incidents have

occurred one after another concerning the management of nuclear materials. One such incident involved intrusion into an HEU storage facility by a group of armed people; in another incident a civilian broke into the security system of a military facility. Cases associated with the illicit transaction of nuclear materials are occurring every year. Between 1993 and 2010, a total of 33 cases involving the illicit possession, transaction, or theft of HEU or plutonium were reported to the International Atomic Energy Agency (IAEA).

No less dangerous than nuclear terrorism is the threat of so-called dirty bombs, which use lethal radioactive materials such as cesium. As radioactive materials are widely used in medical institutions, colleges, research institutes, and business facilities and can easily be turned into weapons, the possibility of radioactive terrorism is much higher than that of nuclear terrorism, although the magnitude of the destruction caused would be considerably smaller. As shown by the Fukushima Nuclear Power Plant accident last March, the fear felt by people about being exposed to radiation is no less than that of nuclear terrorism. According to the IAEA Illicit Trafficking Database (ITDB), more than 150 cases of illicit possession, smuggling, or theft of radioactive materials and nuclear materials have been reported every year since 2005, and more than three-quarters of them are related to radioactive materials.

Considering the foregoing, there is every possibility that terrorists could obtain weapon-class nuclear materials and detonate a weapon in a large city, attack a nuclear facility such as a power plant, or

explode a dirty bomb using radioactive materials. The level of nuclear/radioactive material-related terrorism threats felt will differ from country to country. However, no one will deny that it should be a common concern of the international community to take preventive measures against nuclear/radioactive material terrorism, when we think of the potentially disastrous outcome of a nuclear/radioactive terrorist attack in this era of globalization in which countries rely on each other more heavily than ever before. Especially, Koreans should note that the country, which relies heavily on outside sources for its economy and politics, is likely to be affected seriously in the event of an act of nuclear terrorism and that is the reason why we should attach importance to the 2012 Seoul Nuclear Security Summit.

■ Major Objectives of the 2012 Seoul Nuclear Security Summit

As the host country, the South Korean Government aims to achieve the following major objectives in terms of substance:

First of all, the Government will strive to make the event a meeting that contributes to the goal of “a world free from nuclear/radioactive terrorism,” which is a major issue related to international security in the post-Cold War period, by presenting realistic objectives and measures for their implementation. (The objectives and implementation measures will be included in the Seoul Communiqué.) The first Nuclear Security Summit held in Washington DC at the proposal of

US President Barrack Obama in April 2010 was primarily declarative in nature, as it presented the basic principles of and directions for nuclear security. In comparison, the Seoul Summit will have significance as an event which aims to move towards putting such declarations into practice.

Second, the Seoul Summit will set up nuclear security-related norms solidly by expanding the scope of discussion, while duly dealing with such issues as countermeasures to nuclear terrorism, the protection of nuclear materials and facilities, and the prevention of illicit transactions of nuclear materials, which were the basic subjects of the Washington DC event. In connection with nuclear safety, which became the focus of worldwide attention following the Fukushima accident, the Seoul Summit will encourage attendees to discuss what synergies nuclear security and safety could have for the prevention of nuclear/radioactive terrorism without blurring the focus of the discussion about nuclear security. The Seoul event will also provide a venue for in-depth discussion about ways of collaboration to protect radioactive materials, concerning which insufficient discussions were held at the Washington DC event. The safe management of weapon-class nuclear materials, i.e. HEU and plutonium, which was the focus of attention at the Washington DC event, will also be a key subject at the Seoul Summit, but we will see to it that the issue of protecting radioactive materials is also dealt with importantly through consultation with other participating countries, as the threat of radioactive terrorism is no less dangerous than that of nuclear terrorism, as stated in the foregoing.

Third, for preventive efforts concerning nuclear terrorism to be effective, it is important that each participating country takes measures to step up its level of nuclear security, in addition to ensuring that the Summit's resultant document is adopted. As the host country, the South Korean Government will do what it can to make the Seoul Summit a fruitful event by encouraging the participating countries to announce voluntary promises about meaningful nuclear security-related measures, such as eliminating HEU, joining the International Convention on the Suppression of Acts of Nuclear Terrorism (ICSANT) and the Convention on the Physical Protection of Nuclear Material (CPPNM), which are the two leading nuclear security-related conventions, contributing to the IAEA's Nuclear Security Fund, and establishing nuclear security education/training centers. The South Korean Government is also considering taking measures conducive to the said objectives.

■ Conclusion

An important event like the Nuclear Security Summit in Seoul testifies to the enhanced status of South Korea in the international community. It may be said to be a result of the international community's recognition of the significance of the country, which has held fast to the principle of non-nuclear proliferation even under the nuclear threat from the North and set an example of peaceful use of nuclear energy for power plants.

The 2012 Seoul Nuclear Security Summit will go a long way towards developing South Korea as a mature country, as the G20 Seoul Summit and the 4th High Level Forum on Aid Effectiveness Busan 2011 did. It will also serve as a precious occasion that will help Koreans to enhance their globalization insight and capability as well as instilling a sense of pride in future generations.

Implications of Europe's Fiscal Crisis for Asia

YI Okyeon

Seoul National University

At the European Summit held for the third time last year, participants agreed on a plan to resolve Europe's fiscal crisis. The public debt-to-GDP ratio is 166 percent for Greece, the epicenter of the fiscal crisis. One of the achievements made at the summit is that banks that provided loans to the Greek government agreed to cut Greece's debts by half in order to lower its public debt-to-GDP ratio to 120 percent by 2020. The participants also agreed to expand the European Financial Stability Facility, a European financial rescue fund, in order to prevent fiscal crisis of Italy and Spain, which are seen as next candidates for financial trouble.

The agreements reached at the summit demonstrate Europe's resolve to prevent the current fiscal crisis, which, according to German

Chancellor Angela Merkel, is the most serious crisis in the post-war period, from turning into a collapse of Europe, repeating pre-war history. However, the proposed comprehensive solution failed to show exactly how they would increase fiscal revenues. Nor did it result in real actions that would unify financial policies of the 17 countries, which have already unified their monetary policies. Although the agreements came out of overnight negotiations between the heads of European countries, more meetings are necessary if verbal agreements are to turn into real solutions that are costly to implement.

What are the implications of the ongoing European fiscal crisis for Asia?

The circulation of a single currency in multiple countries requires each member's fiscal soundness. However, the levels of fiscal soundness in EU countries are very different. Compared with the fiscally sound Germany, countries such as Portugal, Italy, Ireland, Spain, and Greece fall behind in fiscal soundness and lack the ability to repay debts. The problem is that debts owed by the EU member countries are deeply interrelated. "Bad" countries borrowed money at the same interest rates as fiscally sound member countries and paid for government expenditures. A government needs to raise tax revenue in order to pay for its own expenditure. However, raising tax revenue amounts to an act of political suicide in a low growth country. Greeks could find a way out of its fiscal fiasco only through an international bailout offered on the condition of Greece's fiscal austerity. At the same time, the notion that a European supranational institution should regulate loose fiscal

policies of member countries gained traction.

Creditor countries, such as Germany and France, hastened to find measures to deal with fiscal crises out of fear that their own financial institutions might suffer fatally if Greece's financial woes were left unattended. However, the solutions that they found were only stopgap measures rather than a bailout measure that could prevent the chaos following the fiscal collapse of Greece. Moreover, the EU countries have yet to institutionalize financial supervisory powers over financial institutions; also, they have yet to unify fiscal policies of individual countries.

After World War II, Europe worked toward European integration, which was thought to promote common peace and prosperity through collaboration between member countries, in the hope that European integration would put an end to the history of bloody conflicts and create a new regional order. Finally, they succeeded in reorganizing Europe into a supranational body—the EU—and launching the borderless Schengen Area and the eurozone, where a single currency is circulated, although it took a long time. Furthermore, they accomplished a feat of turning an imaginary community into a real one, in which a total of 27 countries take part as members. Needless to say, this was an encouraging historical event for Asian countries envisaging a pan-Asian community.

However, the tension between sovereignty based on nation states and national territories and integration that required transfer of part

of government power to a supranational body was not resolved. In other words, they could not put an end to the doubt concerning whether the supranational body, which was neither a modern state nor an international organization, could create a new type of authority that is not national nor hierarchical. Some scholars opined that the tension between the sovereignty of European countries and regional integration was a natural phenomenon and also that there was a need for a new thinking about the relations between them. Europe's experience came as a lesson to be learned for Asian countries, which are faced with more stumbling blocks to the goal of regional integration than their counterparts in Europe.

Efforts to define or redefine contentious relations between national sovereignty and regional integration ultimately lead to institutionalization of integration. That is because, in the process of transferring part of power previously held by sovereign national states to newly established supranational organizations, there is a need for a basis in the constitution that guarantees that the partial transfer of authority will provide an opportunity to exercise national sovereignty in a new form and manner rather than the impairment or shrinkage of national sovereignty. That is, relations between national sovereignty and regional integration should adopt a consensus about positive-sum relations (inter-complementary or inter-substituting as required) between them as an internal element, like an institution, rather than (inter-offsetting) being zero-sum relations. European countries' steps taken toward a true community are often met with stumbling blocks in the institutionalization stage of establishing or reestablishing

relations like this. Such was also partly experienced by Asian countries.

Even if there is no logical shortcoming in the argument that tension between the sovereignty of European countries and regional integration was a natural phenomenon, it is very difficult to mitigate the emotional resistance, because tense relations may become friendly, but they presuppose competition, and thus they are very likely to be hostile and cliquish. Friendly, tense relations are no more than an artificial outcome reorganized by the intention to foster joint peace and prosperity. Accordingly, when faced with a challenge about their justification, they are likely to be returned to the relations of exclusivity. In Europe, they appear in the shape of measure taken by individual countries to reduce adverse impacts from the financial crisis. In Asia, they appear in the shape of modern territorial disputes and a campaign to rewrite the history involving neighboring countries.

At present, amid the mounting tension between national sovereignty and regional integration, the EU countries are repeatedly seen to take off the disguise of friendly relations and turn to the cliquish relations that they are used to. The Netherlands, which has taken pride in providing the cornerstone of the EU, publicly talks about withdrawing from the eurozone. The Slovak Republic, which attained economic growth as a beneficiary of the European regional integration, vetoed the European bailout plan. After being driven to the brink of financial collapse, Italy took an aloof response, as if it was nothing to be surprised at to its sovereign rating being downgraded. As a country

that did not join the eurozone as an EU member, the U.K. pointed to its opt-out from the eurozone as a wise decision. Its ruling Conservative Party even proposed holding a referendum to decide whether to withdraw from the EU, although the proposal was not accepted.

According to the Lisbon Treaty, which was signed after many difficulties as an alternative to the Constitutional Treaty whose own ratification was faced with difficulties, the establishment of the monetary policy for the member countries of the eurozone is the EU's own right. That is, only the EU, which is not a European country, but a supranational organization, is granted the right to establish its monetary policy. However, it is a pie in the sky, as the EU does not have the right to financially supervise the maintenance of the circulation of a single currency. Moreover, one bill for all the EU member countries entails the burden of having to be translated into 22 languages beside English, which is the *lingua franca*. It is not just the difficulty of proper translation between many languages, but a restriction that leads to a gap in the legal binding force associated with the selection of specific terminologies. Besides, when the difference in the laws and systems concerning the financial supervision adopted by the EU member countries is considered, the direction of the European integration is decided, on the occasion of the current financial crisis, depending on whether the establishment of the monetary policies of the EU member countries is adopted as the EU's exclusive right. In addition, monetary policy and fiscal policy are supposed to be in close interrelations, but they are not under the reality of the eurozone.

The financial crisis that has risen above the surface makes one cast the question about the identity of Europe. We regard Europe's regional integration as an irrevocable, courageous political action that puts a long history of disputes behind and pushes ahead with joint peace and prosperity among Europeans. In such a context, the financial crisis experienced by the eurozone, which adopted a single currency, is a matter of utmost concern for both elites and the general public, as it can lead to an implosion of the EU. However, the problem of social integration, which remains under the surface, is also deeply linked to the financial crisis. To answer a basic question, "What is Europe?," one can answer in a narrow sense that it refers to an area where the Euro is used as an official currency. Then, in a wider sense, the question requires deliberation on what capacity the people with the right to reside within such an area and the relevant obligations are fixed. Even now, the discussion about the identity of Europe is confined to functional aspects due to various reasons. They adopted a single currency when they were excited about an ideal, dreaming about one integrated Europe, but as the disease symptoms are found and the fantasy is gone, they appear to be busy trying to manage the situation rather than curing the disease. It is not difficult to predict that, if heterogeneous groups of people among Europeans belong to the walks of people most vulnerable to a financial crisis, there will be a self-contradictory situation in which exceptions and concealments go together under the name of integration.

Looking at the ongoing process of the European community, Asians will find that the process of the European community is only at the

beginning stages. Europeans showed that the establishment of a community itself is a process full of difficulties as it is a process for the birth of a new political body; Asians also experienced it. However, unless painstaking efforts are made to give strength for self-breathing to the just-launched community, it will go through a rapid process of aging and losing life. The work of breathing life requires the establishment of a system of the basic law or the Constitution that stipulates regional governance, operation of multi-level political authority equipped with a substantially working channel, adoption of a subsequent measure that will reduce loss caused by accidents, and institutionalization of crisis management that will prevent occurrence of accidents in advance.

Sixty years ago, Jean Monnet said, “Nothing can be achieved without people, nothing endures without institutions,” while setting up a plan for Europe’s regional integration. Europeans lament that they need a Monnet who will help them overcome difficulties, when the ideal of a European community does not appear to work amid the mounting tension between national sovereignty and regional integration in Europe. Asians grumble that the community could be launched in Europe thanks to Jean Monnet. However, Asians should keep in mind that grumbling like that remains at a very superficial level, when they look at what is happening in Europe. An attempt to turn an imaginary community into a real one requires political integration, but if the community can operate as an authoritative body binding the people really, it requires social integration. If I am allowed to add something to what Jean Monnet said, I would say, “Nothing can be achieved

without people, nothing endures without institutions, but this cannot be achieved with or without people.”

The current financial crisis in Europe was caused by “holding a skating event on thin ice, with all the spectators and athletes hypnotized, despite preparations having been made for a long time.” Moreover, there were not sufficient systematic preparations for a crisis situation; only first-aid kits were prepared. Nevertheless, Europe has the potential to re-overhaul the crisis management system, as it has made quantitative growth over an extended period of time. If they are willing, Europeans can turn the thin ice into a perfect skating rink. Asians displayed the potential to rise above the tide over the economic crisis in 2008. Unfortunately, Asians find themselves unable to discard the old habit of passively adapting themselves to the world order led by Europe or the U.S. rather than actively establishing a new world order themselves, despite the fact that their rapid economic growth is faster than that of Europe or the U.S. If they lack the will for an establishment of a community rather than the ability itself, the community will exist only on paper or be like a house built in the air.

If a group of people lacks ability, it is meaningless to evaluate their achievement. But if a group of people has achieved a less-than-expected results due to a lack of will, even though they have the ability, they cannot avoid being blamed. Expectations of Asians grow larger and they should not be satisfied with playing only an ancillary role in the world order. Some people define the behavior of Asians taking such an ancillary role upon themselves as a strategic choice. However, if

Asians truly wish to establish a community for themselves, the past and present of Europe show Asians how they should cross the bridge of regional integration over the river of national sovereignty. In Asia, the river of national sovereignty flows very rapidly and Asians should cross the bridge very carefully, but it is the most important that they should have the sense of mission about crossing the bridge. It is more realistic to adopt a change by way of thinking that they can cross the river rather than expecting a Monnet to appear and lead them with encouraging remarks. Asians should not neglect cognitive mobilization concerning what Asia is. The current situation in Europe in which Europeans are in a state of confusion amid the financial crisis shows Asians that the best timing for being equipped with a crisis management system within a community is right before the launch of the community. Rapid rivers sometimes attack people on the bridge.

Sustainability Conflicts and Global Crisis Management:

With a Focus on Energy, the Environment, and Bio Security

LEE Sang-Hwan

Hankuk University of Foreign Studies

Today, issues related to energy, the environment, and bio security are becoming a focus of attention in the international community. During the 20th century, national security for survival was a matter of urgent necessity. In the 21st century, human security related to the quality of people's lives, such as the stable securing of energy, food, and water resources, development of alternate energy, environmental conservation, disease control and development of new medicines, is becoming the center of attention. Especially, energy resources of which reserve is limited have become a factor that has a decisive impact on the fate of countries in matters related to economic development and the expansion of military power needed to protect their sovereignty. An increase in supranational environmental threats caused by the consumption of energy resources is gradually giving rise to conflicts between countries and presenting threats to humankind. Under such

circumstances, sustainability conflicts over countries' competition to secure energy, environment, and bio resources have emerged as an important subject for international discussions in the 21st century.

Thus, we should note the fact that disputes and conflicts are mounting over issues related to the environment and energy, food, and water resources of which impact on humankind is only increasing in the 21st century. In the post-Cold War period, disputes attributable to ideological conflicts have noticeably decreased. However, conflicts over energy, environmental and bio resources, particularly in Africa, Latin America, and Asia, continue to increase. Matters concerning limited resources and the increase in conflicts related to them are important problems that should be solved for a Sustainable Global Society.

In regard to energy conflicts, domestic, regional, and international conflicts are occurring due to the need to secure and manage energy resources, such as petroleum and natural gas, and non-energy resources, including metals, and some of them are on the verge of a physical clash. International competition for securing energy is compounded by newly emerging economies, such as China, Russia, India, Brazil, and South Korea, in addition to advanced countries like the US, Japan, and those in Europe. Environmental conflicts are deepening between countries with a compulsory burden of reducing greenhouse gases and those without such a burden, as testified by the process of the UN Framework Convention on Climate Change. Even in the case of bio disputes, conflicts are worsening between countries,

in which epidemics, such as a new strain of swine flu or SARS, have begun, and their neighboring countries. Instances of internal strife in African countries due to insufficient food and water supplies are also getting worse.

Former US State Secretary Henry A. Kissinger said, “The conflict that is most likely to occur in the global village is one over fossil fuel.” Wars without weapons are being waged in global villages over production and distribution of resources as if to confirm what Mr. Kissinger said. In many countries rich in important sources, such as petroleum, natural gas, gold, or tungsten, bloody internal strife is going on between different political factions and tribes.

Big resource-consuming countries put pressure on, or sometimes even invade, resource-holding countries to secure resources. Examples of big and powerful countries’ energy security policies intended to secure stable resources include the US waging wars in Iraq and Afghanistan, Russia taking measures to block the establishment of new countries near the Caspian Sea, and China cracking down on the movement of independence in the Uygur Autonomous Region of Xinjiang and Tibet in connection with a need to establish a presence in the Caspian Sea, a treasure trove of energy resources. The yellow dust from China that wreaks havoc with regions in Northeast Asia is likely to lead to environmental and bio disputes. More seriously, big and powerful countries’ energy, environment, and bio policies are clashing with each other in the course of reestablishing alliance relations aligned with their national interest. That is, sustainability

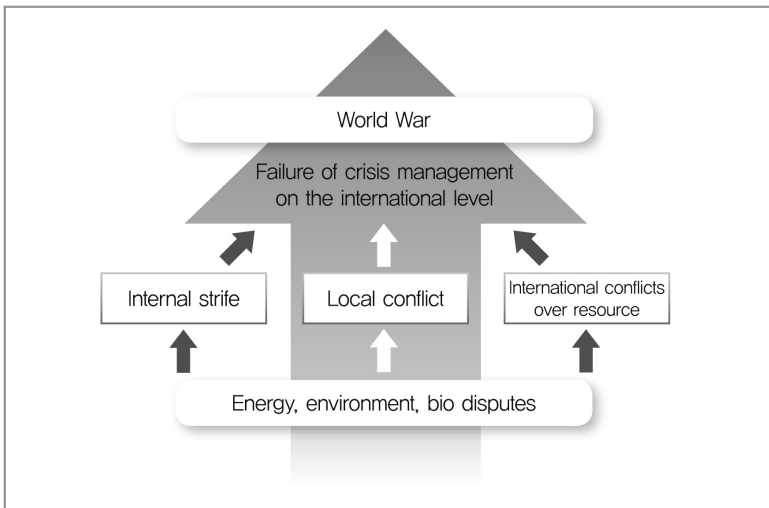
conflicts are creating another Cold War. Energy, environment, and bio disputes pose a serious stumbling block to the establishment of a Sustainable Global Society and present a threat to world peace.

As the 13th largest economy relying on imports for most (97%) of its energy needs, South Korea has also joined the competition for securing energy resources. More developed countries need a wider variety of mineral resources and South Korea is in a very disadvantageous position due to the lack of available mineral resources; the country should rely on foreign countries for most of its strategic resources. Thus, the matter involves energy security, as energy (particularly oil) supply stability has a critical impact on the country's economic development, operation of military power, and the peoples' survival rights.

As a country that has applied itself to industrialization over the past half-century, South Korea is faced with environmental problems due to its heavy energy-consuming industrial structure. The country may suffer a severe blow to its economy if it is subject to the compulsory burden of reducing greenhouse gases without proper measures. In Korea, as a country that signed the Kyoto Protocol in 1997, resolving problems of an increase in energy consumption and the environmental pollution associated with economic development has emerged as a core issue of new national projects. The inability to reorganize into an industrial structure centered on a knowledge-based industry with high added value will mean a free fall of the country's economy. Without development in genetics, engineering needed to find a

solution to the food shortage problem, and in pharmaceutical science and bio engineering, needed for solution of disease problems, it is likely that the country's status will fall and the quality of Koreans' everyday lives will worsen.

〈Figure 1〉 Sustainability Conflicts and Importance of Global Crisis Management



If World War III ever breaks out, it will mostly likely be caused by a sustainability conflict. Finding a solution to such a problem requires the understanding of the nature of disputes over energy, environment, and bio-related matters, which have the most conspicuous impact on the establishment of a sustainable international society. In other words, global crises that may be caused by energy, environment, and bio-related disputes should be managed well in conjunction with a need to maintain a sustainable international society and for efficient

joint use of energy, environmental, and bio resources. That way, the world will continue to enjoy sustainable development and maintain peace by maintaining human security.

Russian Parliamentary Elections and the Future of Putin Regime

KO Sangtu

Yonsei University

The elections to the Russian State Duma were held on December 4th, 2011. Just as in the previous election, four parties crossed the 7% threshold to the Duma and succeeded to enter the lower house of the Russian parliament.

According to the official election results, United Russia, the 'party of power' suffered its worst setback when it garnered 49.5% of the vote, compared with 64.3% in 2007. It will enjoy a simple majority in parliament but no longer the two-thirds. This was shock to the ruling party. A public survey held prior to the election showed that United Russia was expected to get at least 60% of the vote.

The central election commission of Russia banned nine anti-Kremlin

parties from participating in the Duma elections. The benefits from this measure did not come to United Russia but to the so-called 'licensed opposition' parties, which have not challenged the domination of the Kremlin. The Communist Party of the Russian Federation and A Just Russia nearly doubled their seats in parliament with 19.2% and 13.2% of the vote. The Liberal Democratic Party of Russia (LDPR) gained 11.7%.

United Russia advocates political stability and the revival of Russia's status as a superpower. It describes itself as centrist and conservative. The Communists, led by Zyuganov since 1993, draw much of their support from older and middle-aged working-class people and pensioners, especially in rural areas. The LDPR led by the populist Zhirinovskiy is the third largest party. It describes itself as the anti-Western and right-wing party.

A Just Russia led by the former speaker of the upper house, Mironov, was initially established by the Kremlin in 2006. It uses social democratic slogans promoting social justice, order and stability. The party absorbs the moderate left-wing people damaging the second biggest party, the Communists.

There were allegedly widespread irregularities in the polls. An exit poll suggested that United Russia won less than 30% of the vote in Moscow, but after a delay, the result was announced at 46.5%. In Chechnya, ruled by the Kremlin-friendly Kadyrov, United Russia scored 99.5%. A similar result was reported in a Moscow psychiatric

hospital.

The websites of Ekho Moskvyy, a popular radio station, and of Golos, an independent election monitor were brought down by a massive cyber-attack during the election. Around 400,000 civic observers engaged in election monitoring used social networking sites such as YouTube and Facebook instead to post mobile phone videos about election fraud. Russia is an internet-based society with 50 million internet users, more than any other country in Europe. The internet has replaced books that Russians traditionally used for their leisure, over the long cold winter.

The rigged election caused large-scale widespread protests in Russia despite the cold weather. The largest rally broke out in central Moscow. The participants were predominantly young and middle class people. Prominent figures from the Yeltsin administration, such as former Prime Minister Kasyanov and former Deputy Prime Minister Nemtsov, joined the rally.

The demonstrations were initially brutally suppressed by the police and hundreds were arrested. But the Russian government changed its position and allowed the peaceful rallies, which were also reported by state television.

The civic protests testify the public discontent with the current governance model of the ruling elite's predominance. Protesters chanted "Russia without Putin." This means that Russians are bored

with political stagnation and interested in competition on the political scene.

The main reason for the poor performance of United Russia and the nation-wide protests is Putin's come back to Kremlin. Prime Minister, Putin, has accepted the party's nomination to run for president next year, while President Medvedev, was expected to take over as prime minister after the presidential election. The elections and the following protests demonstrate that his political legitimacy has been undermined. The damage to the legitimacy is considerably higher, particularly in big cities. In St. Petersburg, Putin's home town, United Russia got only 34% of the vote.

However, it is not the end of Putin's political life, because his victory in the presidential election of March 2012 seems to be inevitable. The civic protests have some limitations for political regime change in Russia. First, demonstrators include diverse people such as liberals, nationalists, and communists. Moreover, there is no alternative political leader to Putin. Second, the Russian people still prefer stability rather than change. According to a public survey held in the spring 2011, almost 60% of the respondents preferred a strong leader to a democratic government and 70% preferred a life of security to political freedom.

The ruling elite need a new tactic, which will relieve the current discontent and allow Putin to be re-elected in a credible manner. The new tactic has to pursue 'renewal' of the political elite, particularly personnel reshuffles in the state administration.

For this purpose the Kremlin is likely to place 'liberal' politicians to the foreground to create limited competition in the political arena. Trusted associate of Putin and former Finance Minister Kudrin plans to set up a new liberal party. The pro-government billionaire Mikhail Prokhorov declared a bid for the presidential election in the same context. After the presidential election, a political coalition between this liberal group and the ruling party seems likely.

Then, the current president, Medvedev, is less likely to become prime minister next year. He has to take political responsibility for the poor performance of United Russia to some extent because he ran for the election as the party's top parliamentary candidate. Putin stepped down from leading United Russia into the elections and put Medvedev, who was unpopular in the party, at the head of its campaign. Thus, Medvedev's political mandate has clearly weakened.

Part I Two Koreas in the Korean Peninsula

■ KANG Cheol-hwan

KANG Cheol-hwan was imprisoned in the Yodok Political Prison Camp in North Korea for ten years, and eventually succeeded in defecting to the South in 1992. He graduated from the College of Business Administration, Hanyang University, Seoul, and went on to work for KEPCO for three years. He joined the Chosun Ilbo, one of the major newspapers in South Korea, as a reporter in 2000, and is currently serving both as a research fellow for the Chosun Ilbo's Northeast Asia Research Institute and as the representative of the North Korea Strategy Center, a think tank for North Korean defectors. He is the author of the book *The Aquariums of Pyongyang*.

■ LEE Sang Hyun

LEE Sang Hyun is Director of the Security Studies Program at the Sejong Institute in Korea. He received his B.A. and M.A. from Seoul National University and Ph.D. from the Department of Political Science at the University of Illinois at Urbana-Champaign in 1999. He was a research fellow at the Korean Institute for International Studies (1987-88) and the Korea Institute for Defense Analysis (1988-90). He joined the Sejong Institute in 2001 and currently serves as a senior research fellow at the Institute.

■ LIU Ming

LIU Ming is currently Professor, Director of the Institute of Asia-Pacific Studies, and Director of Center for Korea Studies at the Shanghai Academy

of Social Sciences (SASS). He is a fellow at the Center for Korean Peninsula Studies, China Academy of Social Sciences and the Center for Korea Studies, Fudan University. He received his Ph.D. from World Economy Institute, Fudan University. Over his distinguished twenty-two-year career, He has contributed numerous articles to prominent American, Canadian and South Korean journals as well as having contributed extensively to several leading Chinese journals on the theory of international relations, American East Asia policy and Korean Peninsula security issues.

■ HEO Uk

HEO Uk is Professor of Political Science at the University of Wisconsin-Milwaukee. He received his Ph.D. from Texas A&M University. His research focuses on international security and Korean politics. His works have appeared in top-level political science journals such as *Journal of Politics*, *British Journal of Political Science*, *Political Research Quarterly*, *Journal of Conflict Resolution*, *International Studies Quarterly*, *Comparative Politics*, and *Comparative Political Studies*. He is a co-author (with Terence Roehrig) of *South Korea since 1980* (Cambridge University Press 2010) and his new book (with Terence Roehrig), *South Korea's Rise in the World: Power, Economic Development, and Foreign Policy*, will also be published by Cambridge University Press in 2013. He is a former president of the Association of Korean Political Studies.

■ CHIN Haeng-Nam

CHIN Haeng-Nam is Research Fellow at Jeju Peace Institute. He earned a Ph.D. in journalism & communication from Kyunghee University. He specializes in research on the East Asian cultural network, inter-Korean relations, multilateral cooperation among countries in East Asia, *Hallyu* (the

Korean Wave) and cultural community, etc.

■ YI Seong-Woo

YI Seong-Woo is Research Fellow of the Jeju Peace Institute and Director of Research Department. He received his Ph.D. in international relation in University of North Texas in Denton, Texas. His specialty is on the interstate cooperation with quantitative analysis method. He worked as a referee for *International Studies Quarterly* from 2004 to 2006. He published books, *Why Do Nation-States Cooperate under Anarchy? Domestic Factors for Interstate Cooperation* in English and *World Peace Index Studies* in Korean. He is also an author of a number of articles on human rights, international cooperation, and conflict resolution on reputable Korean academic journals.

Part II Multilateral Cooperation in East Asia

■ SAHASHI Ryo

SAHASHI Ryo is Associate Professor of International Politics at the Faculty of Law at Kanagawa University, and Adjunct Research Fellow at the Japan Center for International Exchange.

■ KIMURA Kan

KIMURA Kan is Professor at Graduate School of International Cooperation Studies, Kobe University. He studied at Kyoto University, and received his L.L.D. in 2001 by his first book, *Korean Nationalism as a Small Nation* from Kyoto University. His major research field is Korean Peninsula. He also authored *Modern Nationalism of Korea* (2009) and *Precondition of Korean Democratizaion* (2008).

■ LI Wei

LI Wei is Assistant Professor of International Political Economy at the School of International Studies, Remin University, Beijing. He earned his Ph.D. at Fudan University, Shanghai. His current research focuses on the reform of the international monetary system and the politics of the RMB's internationalization. He is the author of *The Institutional Changes and the US International Economic Policies* (Shanghai People's Publishing House, 2010).

■ FANG Xiu Yu

FANG Xiu Yu is Professor at the Institute of International Studies, Fudan University, Shanghai, China. She obtained a Ph.D. in politics at Kyungnam University in South Korea after graduating from the Political Science Department at Northeast Teachers University in China in 1986. She has served in Korea as a visiting professor at Chungang University, a research fellow at Sogang University, and an adjunct professor at the Cyber University of Korea. Her books include *China's Diplomatic Policies and Korea-China Relations* and *Korea's Diplomacy after the War and China: Theories and Policy Analysis*.

■ ZHU Shu

ZHU Shu is Senior Programme Officer at the Tumen Secretariat of Greater Tumen Initiative, which is an intergovernmental cooperation mechanism in Northeast Asia supported by the United Nations Development Programme. He graduated from the European Erasmus Mundus Programme with a master's degree in Comparative Local Development. He has wide-ranging experience in both mass media and the development sector.

■ **PARK Jong-Su**

PARK Jong-Su serves as a guest professor at St. Petersburg State University, Russia. He graduated from Department of Political Science and International Relations, Sogang University and studied at the University of London. He earned an M.A. and a Ph.D. in politics and economy from St. Petersburg State University.

■ **KIM Mikyoung**

KIM Mikyoung is Associate Professor at the Hiroshima City University-Hiroshima Peace Institute. She has taught at Portland State University, USA, as Fulbright Visiting Professor (2004-2005), and served with the US State Department-US Embassy in Seoul as a public diplomacy specialist (2000-2004). She has published many referred articles and book chapters on memory, human rights and gender in Northeast Asia. She serves the Governing Boards of Association of Korean Political Studies (AKPS) and, International Political Studies Association (IPSA). She published *Northeast Asia's Difficult Past: Essays in Collective Memory* (Palgrave Macmillan, 2010), and is a co-editor of *North Korean Review*.

■ **Sergei SEVASTIANOV**

Sergei SEVASTIANOV is Director of the International Studies Center and Professor at the Vladivostok State University of Economics and Service. He holds a Ph.D. in Political Science from Moscow State Institute of International Relations. He has more than 60 publications, including 2 recent individual monographs: *Intergovernmental Organizations in East Asia: Evolution, Effectiveness and Russian Participation* (Vladivostok, Dalnauka 2008) and *Non-Governmental Participants in East Asian Cooperation: Input into Developing Regionalization and Regional Identity* (Vladivostok, VSUES, 2009).

■ Artyom LUKIN

Artyom LUKIN is Associate Professor and Deputy Director for Research at the School of Regional and International Studies, Far Eastern Federal University, Vladivostok, Russia. His main research interests focus on regional security and international political economy in the Asia-Pacific and Northeast Asia. He has authored over 40 scholarly publications in Russian and English.

■ Rajaram PANDA

Rajaram PANDA is Senior Fellow at the Institute for Defence Studies and Analyses (IDSA), New Delhi. He is a leading expert on East Asia. He specializes in security and strategic issues of the region. He earned his Ph.D. from the Jawaharlal Nehru University and has published seven books and around 100 research articles, besides contributing to various websites.

■ KIM Kee-Seok

KIM Kee-Seok is Professor of the Department of Political Science and Diplomacy, Kangwon National University. He also serves as the Chairman of the Korea Association of Contemporary Japanese Studies. He graduated from Hankuk University of Foreign Studies, Seoul and obtained a Ph.D. in politics from UCLA. His recent research includes *The Vision of the System of Collaboration among East Asian Countries: multi-strata pluralism and an alternative scenario* and *Alterations of the Past and Future*.

■ MIZUMOTO Kazumi

MIZUMOTO Kazumi is Professor at the Hiroshima Peace Institute where he is vice-president. Formerly Ashahi Shimbun journalist, he went to the

Fletcher School of Law and Diplomacy, Tufts University, for his graduate degree. Author of multiple books and numerous articles, he has conducted extensive research on nuclear disarmament and non-proliferation.

Part III Global Issues and International Relations

■ LEE Dong Ryul

LEE Dong Ryul is Professor of Chinese Studies at Dongduk Women's University, South Korea. His publication includes "China's policy and influence on the North Korea nuclear issue: Denuclearization and/or stabilization of the Korean Peninsula?" *The Korean Journal of Defense Analysis*, Vol. 22, No. 2 (June 2010), *New Areas in the Study of Chinese Foreign Policy* (Nanam, 2008), and *China's Territorial Dispute* (Northeast Asian Foundation 2008). He received his Ph.D. in political science from Peking University, the PRC in 1996.

■ HAN Intaek

HAN Intaek is Research Fellow at the Jeju Peace Institute. He received his Ph.D. in political science from UC, Berkeley and both his M.A. in political science and B.A. in economics from Seoul National University. His recent publications include "US-Asia Relations beyond the Global Financial Crisis," in *A Pacific Nation* (Japan Center for International Exchange, forthcoming), "Nuclear Rollback: Implications and Limitations of the South Africa Case" (in Korean), *Korea and World Politics*, Spring 2011, and "Towards a Korean Model of Public Diplomacy: The Case for Country-specific, Scientific Public Diplomacy" (in Korean), 2010.

■ YI Seong-Woo

YI Seong-Woo is Research Fellow of the Jeju Peace Institute and Director of Research Department. He received his Ph.D. in international relation in University of North Texas in Denton, Texas. His specialty is on the interstate cooperation with quantitative analysis method. He worked as a referee for *International Studies Quarterly* from 2004 to 2006. He published books, *Why Do Nation-States Cooperate under Anarchy? Domestic Factors for Interstate Cooperation* in English and *World Peace Index Studies* in Korean. He is also an author of a number of articles on human rights, international cooperation, and conflict resolution on reputable Korean academic journals.

■ KIM Sangbae

KIM Sangbae is Professor of Political Science and International Relations at Seoul National University (SNU). He received his B.A. and M.A. from SNU, and obtained a Ph.D. in Political Science at Indiana University in the United States. Author of numerous books and articles, he has written extensively about information technology and international politics.

■ KIM Hyun-Wook

KIM Hyun-Wook is Assistant Professor of Institute of Foreign Affairs and National Security (IFANS). He received his Ph.D. in political science from Brown University in the US. He served as postdoctorate researcher at USC. His research interests include international relations, US foreign policy, and US-North Korean relations at the Americas Research Division of the IFANS. His writing includes “Domestic Events, Ideological Changes and the Post-Cold War ROK-US Alliance,” *Australian Journal of International Affairs* (December 2009), and many others.

■ **PAIK Ji-ah**

PAIK Ji-ah is Director-General for International Organizations Bureau at the Ministry of Foreign Affairs and Trade (MOFAT). He graduated from Seoul National University majoring in the International Relations, and obtained a master's degree from Johns Hopkins School of Advanced International Studies (SAIS). After joining MOFAT in 1985, he served as the Consulate General in New York, and as an official at the South Korean Mission to the UN and at the South Korean Embassies in Thailand, Geneva, and Malaysia. At the MOFAT headquarters in Seoul, he served as an officer in charge of collaboration with international organizations and an ambassador in charge of childbirth and aging society-related problems.

■ **YI Okyeon**

YI Okyeon is Professor of Political Science & Diplomacy at Seoul National University. She graduated from the University of California, Davis, and received a Ph.D. in political science from the University of Michigan, Ann Arbor. She was a professor at Korea National Defense University and a visiting professor at Leiden University in the Netherlands. She is the author of numerous books and articles, including "Befuddling Executive Power with Executive Unilateralism in the Unitary Executive."

■ **LEE Sang-Hwan**

LEE Sang-Hwan is Professor of Political Science & Diplomacy at Hankuk University of Foreign Studies and the Director of the Institute of Global politics of the same university. He received a Ph.D. in politics from Michigan State University. He currently serves as a policy adviser to the Ministry of Unification, a publication director at the Korean Association of International

Studies (KAIS), and a director at the Korean Political Science Association. He has also served as a Presidential advisor for diplomatic and security matters.

■ **KO Sangtu**

KO Sangtu, Professor of Area Studies at Yonsei Univ. Graduate School, is Chair of Research Committee 42, IPSA (International Political Science Association) and President elected of Korean Association of Slavic Studies. He received his Ph.D. in Political Science from Free University of Berlin, Germany in 1996. His publication includes “Russia’s Choice of Alliance: Balancing or Bandwagoning?,” Iwashita, Akihiro(ed.), *Eager Eyes Fixed on Russia* (Sapporo: Hokkaido Univ, 2007), “Russian Identity under Putin and North Korea Policy,” Jung, Gab Yong(ed.), *Politics and Civil Society in Northeast Asia* (Seoul: Orum, 2004), “System Transition and State Building in Eurasia: Theoretical Discussion and State Index,” *The Korean Journal of Security Affairs*, Vol. 54, No. 2 (2011).

