



# Asia–Pacific Security Issues and U.S. Policy\*

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*Robert A. Scalapino*

A comprehensive examination and analysis of the domestic issues that confront the major actors in the area and influence them as they pursue their foreign policy objectives in relationships with the United States and other powers.

**T**he situation with respect to Asia–Pacific security at present is a mixture of positive features and certain prominent clouds. The most hopeful aspect of the scene lies in the fact that relations between the major nations of the region, although not without their complexities and difficulties, are on balance better than at any time since World War II. One prominent reason is that, without exception, these countries face serious domestic challenges that require first priority, and if they are to be handled effectively, a peaceful regional and global environment is necessary.

## **Relations Between China and the United States**

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Current relations between China and the United States are a case in point. On balance, they are positive, reflective of the national interests of both parties. China currently has a fourth-generation leadership, more pragmatic than ideological and strongly committed to tackling China's domestic problems: unemployment; the rural–urban gap and difficulties facing a majority of China's farmers; a fragile banking–financial system, with a possible 50 percent of outstanding bank loans nonperforming; and corruption still a massive problem. Moreover, overheating has been

a rising concern, with inflation an accompanying threat. Despite its remarkable economic growth in the past two decades, these problems must be tackled if stability is to be maintained. Thus the current leaders are attempting to focus on these and related challenges as well as pledging some expansion of political and private property rights through constitutional revision. It is thus not surprising that they are seeking to create an image of benevolence to neighbors, cultivating bilateral and multilateral dialogues on a broad front.

The United States also faces a combination of international and domestic problems. Extensive and costly commitments in Iraq and Afghanistan and troubled relations with various allies combine with the continuing economic challenge produced by outsourcing, including unemployment, to make a peaceful Asia–Pacific a highly desirable goal.

Hence U.S.–China relations have been marked by increasing strategic dialogue and cooperation on such thorny issues as North Korea. Trade and investment have also flourished, with trade reaching more than \$125 billion in 2003. At the same time, the rapid intensification of economic ties has produced certain problems. A massive trade imbalance favoring China has given rise to demands in the United States for loosening the yuan's present tie to the dollar and revising cer-

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tain tax laws as well as other protectionist measures. China recently has responded to some of these concerns. Human rights issues also have reemerged despite China's general progress on this front. In the past two decades, China has evolved from a rigid authoritarianism to an authoritarian-pluralist society—with rights of speech, publication, and other liberties considerably expanded—but it is not a democracy, nor is it likely to be such in the foreseeable future. The risks of stasis or instability in this massive society are too great.

The critical issue confronting the United States and China, however, is that of Taiwan, one of the major clouds hanging over the East Asia scene. In the recent past tension between China and Taiwan has increased, largely a product of Taiwan's President Chen Shui-bian's efforts to appeal to Taiwanese nationalism in the context of the vigorously contested presidential election held on March 20. Confronted with economic uncertainties (although the economy has made recent gains, with a 4.7 percent growth predicted for 2004) and a united opposition, Chen elected to advance such policies as a referendum on missile defense and negotiations with the mainland. Partly due to U.S. pressure, the wording of the referendum questions was moderated to ask whether in the event that China refused to withdraw its targeted missiles and renounce the use of force Taiwan should acquire more advanced antimissile defenses and whether Taiwan should negotiate with China on the establishment of a "peace and stability" framework for Cross-Strait relations. At times in the past, however, Chen has talked about two separate states across the strait and made other references to Taiwan's status that appear to justify Beijing's contention that he supports "creeping independence."

Meanwhile, economic ties between China and Taiwan have continued to advance. As of 2003, Taiwan investment on the China mainland exceeded \$100 billion, and more than a million Taiwanese are now living there, engaged in economic activities. The political impasse, however, continues. Taiwan is the one issue that has caused China

to mobilize its nationalism—and nationalism is now the chief source of appeals for unity, with ideology having declined. Hence Beijing insists that the Taiwanese should consider themselves Chinese, accept the principle of one China with Taiwan a part of China, and unite under the formula of "one China, two systems," albeit with the possibility of greater autonomy than that granted Hong Kong.

Wisely China did not attempt to intervene directly in the March election, although its predilection for the Kuomintang team of Lien Chan and James Soong was obvious. Thus the bizarre ending to the election induced mixed responses from the mainland. After the attempted assassination, with bullets grazing Chen and Vice President Annette Lu, the Democratic Progressive party team won by a scant 30,000 votes of more than 13 million votes cast—50.1 percent to 49.9 percent for the Lien-Soong team. Many observers believe the sympathy vote for Chen-Lu was the decisive factor. In addition, nearly 330,000 ballots were declared invalid, close to three times the number cast out in 2000. These factors caused the opposition to demand a recount, although it was noted that a group calling itself the Alliance of One Million had urged voters to invalidate their ballots to indicate distaste for both presidential candidates.

A recount took place, commencing on March 10, and the result did not change the outcome. President Chen's inaugural speech of March 20, moreover, was moderate, calling for an avoidance of any unilateral action to alter the status quo and confining constitutional changes to technical matters, not raising issues of sovereignty or territory to be conducted without a referendum. Moreover, although not accepting China's one-China principle, he asserted that he would "not exclude any possibility" concerning future Taiwan-China relations. Unquestionably, U.S. insistence on moderation influenced Chen's address. It was sent to Washington prior to delivery, and significant private discussions took place.

Despite Chen's revised positions, however, the Taiwan issue remains troublesome. Beijing au-

thorities have no trust in Chen, regarding him as a supporter of “creeping independence,” and their views will not be easily altered. Hence hard-line pronouncements continue to come from the PRC, among them the insistence that Taiwan accept Beijing’s one-China policy and enter into a process leading to reunification within a specific time framework.

The dilemma for the United States is clear. In the past U.S. policy under presidents of both parties has been a reiteration of the principle of one China (without definition), opposition to any Taiwan declaration of independence but also opposition to any Chinese use of force, championing a peaceful resolution of the issue in accordance with the wishes of Taiwan’s people. At the same time the United States has indicated that it regards the defense of Taiwan in case of attack (assuming no independence declaration) as an American commitment and has also sold Taiwan advanced military equipment.

As indicated, there can be no rapid or easy resolution of the Taiwan issue. In the long run it may be possible to achieve a political relationship of the two entities based on federation or confederation, setting the issue of sovereignty aside, at least for the first stage. Much will also depend on political as well as economic developments in the People’s Republic of China (PRC) and future trends in PRC–Hong Kong relations as well as developments in Taiwan. Meanwhile, it will be important for the United States to use its considerable influence with respect to Taiwan to counsel all parties to avoid acts that augment tension and to make it clear that the U.S. defense commitment is dependent on the actions of Taiwan as well as those of China. The United States should urge an official PRC–Taiwan discussion on economic and social issues without preconditions. Further, it should be privately emphasized to Beijing that its relationship with Taiwan must be a process, not a single act.

On the economic front, U.S.–China relations should involve continuous negotiations, keeping in mind the interests of both parties. Economic relations will remain of critical importance to each

side and at the same time involve certain challenges. On the political front, talks should also be intensive, with Americans keeping in mind the complexities of the China scene and lauding progress when it is discerned. Likewise, strategic relations remain crucial as we enter a new era in terms of strategic planning. We have now inaugurated regular high-level strategic discussions concerning the curbing of weapons of mass destruction, and these discussions should be broadened to encompass the issues posed by new weaponry and the era of transcontinental strategy, with maximum transparency displayed by both parties. At some point it may be possible to broaden the strategic dialogue to encompass the other states of Northeast Asia in either a formal or informal multilateral structure. Meanwhile, China should be encouraged to continue to play an active role with respect to the North Korea issue, an issue to be discussed later. As noted earlier, on balance, the prospects for a viable, constructive American–Chinese relationship are promising, but patience and careful planning by both parties are essential.

## **Relations Between China and Japan**

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Continuing with major power relations in the region, the China–Japan relation remains somewhat delicate despite major increases in economic relations. In 2003, Sino–Japanese trade reached \$133.6 billion in volume, with Japan now being China’s largest trading partner and benefiting from a trade surplus of more than \$13 billion. Japanese investment in China is also rapidly advancing, reaching more than \$4 billion in 2002. On the one hand, this creates a problem similar to that being witnessed in the United States—namely, a loss of jobs and production at home. Since 1991 some 2.5 million manufacturing jobs have disappeared in Japan, with production facilities transferred to Southeast Asia and increasingly to China. On the positive side, Japan’s

massive trade with China is a key factor in its recent economic recovery. There is every reason to believe that the economic ties between these two nations will continue to expand.

Yet the shadow hanging over China–Japan relations remains significant, one relating to history. Beijing deeply resents such actions as Prime Minister Koizumi’s annual visits to Yasukuni Shrine, regarded as a site where the remains of certain war criminals repose. Japanese textbooks are often criticized for “biased treatment” of World War II. More important, China has shown increasing concern about a rising Japanese interest in revising the “Peace Constitution,” especially Article 9.

Indeed, it seems likely that within the near future constitutional amendment will take place. Increasingly the Japanese people and the Diet are taking the position that Japan’s rights as a sovereign nation and its needs for adequate self-defense require broader military options. At this point, according to certain analysts, Japan is already expending the third largest sum in the world (next to the United States and China) in terms of its military budget, rapidly modernizing its forces. Its dispatch of troops to Iraq, albeit in a noncombatant capacity, is the latest indication of an expanded commitment. When North Korea fired a missile that passed over Japan several years ago, Japanese concern was greatly heightened, and the unresolved issue of the Democratic People’s Republic of Korea’s (DPRK’s) nuclear weaponry is an ongoing worry. Thus strategic changes are in store. The fear of a newly militarized Japan, however, can easily be overstated. Only two conditions in combination would make that prospect more likely—namely, a greatly increased perception of external threat and the loss of American credibility as an ally. Such a conjunction of events seems improbable, at least in the foreseeable future. Meanwhile, an American interest lies in helping to encourage in-depth dialogue on all matters, including security, between China and Japan and the effort to build broader subregional and regional associations that incorporate both states with others.

## Relations Between China and Russia

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Meanwhile, China’s relations with Russia have greatly improved in the past decade, although they are far from an alliance. Trade remains modest, given Russia’s economic difficulties, but the prospects for increased oil imports are good, initially by rail. China’s bid for a pipeline from Aagardsk, Siberia, to Daqing in North-east China is on hold because of a Japanese bid to fund a pipeline going to Nakhodka, thence across the Sea of Japan. There is some concern in Russia, especially in Siberia, about unregulated Chinese immigration. The modest Russian population in this vast area has been further reduced in recent years due to economic conditions, and the availability of cheap labor to the south is formidable. In any case, however, the economic interaction between China and Russia is certain to grow in the years ahead.

Meanwhile, in June 2001, the Shanghai Cooperation Organization (SCO) was founded, ultimately involving the four Central Asian states of Kazakhstan, Kyrgystan, Tajikistan, and Uzbekistan together with China and Russia. Initially the emphasis was on cooperation in meeting terrorism, separatism, and “extremism,” as well as in promoting a reduction of border forces. Subsequently, economic issues have been introduced, with a plan for free trade within 20 years. The SCO is still relatively modest in its operations, but it represents the first effort to bring Central Asia into a broader framework.

In sum, China’s relations with the other major powers are on balance promising, despite various problems, new and old.

## Japan

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Let me turn now to Japan, a second major Asian nation: If China is a rising power, Japan can be accounted a risen power, albeit one that

has faced serious difficulties in the recent past. Some of Japan's strengths have turned into challenges: a tightly knit, homogeneous people; decision making by consensus; interwoven governmental-corporate relations; and the relative satisfaction of the people in their economic conditions. Thus thorough reforms in line with the rapidly advancing thrust of globalization have been difficult. Meanwhile, a lengthy economic recession has ensued since the beginning of the 1990s, with growth rates slowing and the manufacturing sector being increasingly hollowed out. In the latter part of 2003, however, economic growth moved ahead more effectively than in 13 years, with further growth under way in 2004 led by expanded exports to Asia, especially China, and increases in consumer spending at home. Problems remain, including difficulties within the banking system, deflation (improving), and the longer range uncertainties regarding the yen's value against the dollar. However, many observers are more hopeful than at any time in the recent past. Japan, moreover, remains the world's second largest economy, with a powerful influence on the rest of the Asia-Pacific region.

Politically the nation is relatively stable, with a prime minister, Koizumi Junichiro, who has maintained a strong position with the electorate. Japan, however, has been moving from a one and one-half party system, with the Liberal Democratic party always in power alone or in coalition and others in the opposition, to a more genuine issue-oriented, two-party system, with the Democratic party of Japan now a significant opposition force.

In this setting Japan's strategic alliance with the United States remains firm and, despite the perennial issue of U.S. troops and bases in Okinawa, few immediate problems exist. In response to past U.S. requests that Japan accept greater responsibility in the security realm, the Japanese have increasingly responded, most recently in Iraq, as noted. Further, Japan is on the verge of working with the United States with respect to a missile defense program. Initially, Japan confined its overseas defense role

to providing funds, as in the Gulf war. Increasingly, however, it has moved toward providing noncombatant military forces, first in Cambodia in 1992 and then in the Indian Ocean in connection with Afghanistan. Pacifism still has a hold on the older generations, but younger Japanese politicians are desirous of increasing Japan's clout in the international community and strongly in favor of amending the constitution to permit greater defense rights, as well as obtaining a permanent seat on the UN Security Council. Nationalism is emergent in Japan as elsewhere in Asia.

The United States has every reason to accept the new trend while quietly counseling an avoidance of extremities such as nuclear weaponry. Japan can become an important part of an Asian balance of power. Moreover, over time, given the revolution in military affairs, U.S. forces and bases overseas will be reduced or removed, with the new emphasis on rapid deployment, modern weaponry, and the support of allies. In this setting, Japan must be prepared to play its role.

If such a course is to be successfully advanced, however, the United States must pay greater attention to public diplomacy here as well as elsewhere. With the Iraq war, doubts about and hostility to American policies have grown in Japan at the public level, making the support efforts of the Koizumi government more difficult politically. Nonetheless, Japan's interests lie in a close but increasingly equal relationship with the United States, and that is likely to be the future trend.

The United States and Japan, moreover, have an important task in working together on the economic front. Japan needs to remove numerous barriers to free trade and greater investment. The United States also must shun protectionism in various forms. Both nations need to strive to keep in the forefront of scientific-technological innovation, with education geared to this goal. The United States has an advantage possessed by few Asian nations—namely, an encouragement of creativity rather than rote memorization of the teacher's word. Japan has been rapidly

undergoing the necessary change in this respect. A more serious challenge lies in the demographic realm. In roughly two decades, one-fourth of the Japanese population will be 65 years of age or older. Will Japan, historically adverse to immigration, adopt new policies on this front, or will it seek to retain its homogeneity through a combination of overseas expansion and widening the domestic workforce? At a later date, the United States may face a similar problem, despite its relative openness.

## **Japanese–Russian Economic Relations**

On another front, Japan's relations with Russia appear to be ready for a significant advance, especially on the economic front. Bilateral trade grew by 25 percent in 2003, fueled by gas and oil shipments, although it is still a modest \$5.5 billion, in comparison with some \$60 billion with South Korea and \$133 billion with China. Japanese investment in Russia also rose by nearly \$1 billion in the past 18 months. Future plans include shipments of natural gas from Sakhalin to Japan, the prospect of an oil pipeline to Nakhodka, and thence shipment across the Sea of Japan, as noted earlier.

Huge cultural differences sometimes present problems for Japanese–Russian cooperation. A more substantial problem, however, lies in the fact that the controversy over the South Kuriles has never been resolved, therefore preventing a treaty formally ending World War II. Both nations claim the four southernmost Kurile Islands, and strong nationalist sentiments have prevented any compromise. Eventually some agreement on joint management and access should be possible. But Russia will always seem like a deeply foreign nation to Japan and vice versa. Neither party, however, is threatening the other now and for the foreseeable future.

## **U.S.–Russian Relations**

In terms of major power relations, it remains to sketch the bilateral relations between the United States and Russia. Once again, on balance, those relations are positive and promising, notwithstanding certain issues. First, a brief summary of current economic and political conditions in Russia is required. On the economic front, after a lengthy period of post–Soviet economic chaos, when the lack of preparation for rapid privatization led to massive corruption and recurrent crises, Russia has shown growth in the recent past. Aided by higher oil prices, a growing trade surplus, and strong bank reserves, the economy grew by a reported 6.8 percent in 2003. Major reforms, however, are required if growth is to be sustained, and the premier newly appointed by President Putin, Mikhail Fradkov, has promised important reforms, including financial changes and fiscal prudence. Russian economic advances are only in their initial stages.

One likelihood, however, is that Russia and notably the Russian Far East will increasingly be drawn into a Natural Economic Territory (NET) encompassing Northeast Asia, notably China, Japan, and South Korea. The reciprocal assets and needs in this area make a NET eminently logical, and its various signs are already in evidence.

On the political front, President Vladimir Putin had no difficulties in the March 14 election, polling 71 percent of the vote with 62 percent of the electorate participating. He had no significant opponents, and his popularity remains at high. The Russian people, like many throughout the developing world, are more interested in strong leaders than in political institutions. Putin has proved to be such a leader, displaying a combination of toughness and flexibility and a flair for the unexpected. The future of Russian democracy remains uncertain, despite the rising success of the market-oriented economy. The strength of the so-called *siloviki* (individuals associated with the police, military, and security

services) has remained high, and there is worry both within Russia and in the West that authoritarianism may grow.

In the foreign policy arena, Russia under Putin began with a strong tilt toward the West, both the European Union and the United States. Putin reportedly saw Russia's economic and strategic interests served by such a policy. Hence Moscow signed the Partnership and Cooperation Agreement with the EU and accepted modest U.S. forces in several Central Asian nations during the Afghanistan conflict and thereafter. Although Moscow opposed the U.S. attack on Iraq, its criticism was relatively muted.

Recently, however, there have been more complex problems. Russia initially objected to extending the 1994 Partnership and Cooperation Agreement to the 10 new members of the EU and threatened to withdraw from the Conventional Forces in Europe Treaty. In addition, Russia, together with the United States, refused to accept the Kyoto Treaty. Subsequently, in an effort to avoid a major trade war, Moscow agreed to extend the CFE Treaty until at least June while various issues were negotiated. However, it has been a rough period for Russian-EU relations.

With respect to Russian-U.S. relations, both parties have exercised care to avoid serious rancor but have maintained their respective positions on certain issues. In a recent trip to Moscow, Secretary Powell cautiously voiced some criticism with respect to domestic political trends in Russia, suggesting that Putin's government was "not yet fully tethered to law." For its part, Moscow has been concerned about increasing U.S. influence in Eastern Europe and Central Asia and about U.S. plans to develop new types of nuclear weapons. At the same time, both sides are seeking to avoid a serious cleavage.

It is important for the United States to work out a relationship with Russia that is cooperative and mutually beneficial. Almost certainly, Russia will reemerge as a major global power, as Putin desires. Its geographic position astride the Eurasian continent ensures that it will have growing influence both in Europe and in Asia. Its re-

cent willingness to forgive a large portion of past debts in such states as Iraq and Mongolia signals future trends. Its economic course now appears to be set, with a market economy in operation and both trade and in-country investment likely to rise. Beyond this, given its status as the major nuclear nation next to the United States, further agreements on weapon limitation and cooperation in securing a nuclear-free North Korea are crucial. Moreover, the effort to cause Russia's orientation to be westward has multiple advantages in terms of a global balance of power.

## **The Most Critical Strategic Issue**

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Meanwhile, the most critical strategic issue confronting Asia-Pacific today has already been signaled—namely, the issue of North Korea. In assessing this problem, it is necessary first to understand the current situation on the Korean Peninsula. Despite having evolved from a common culture, South and North Korea today could scarcely be more diverse.

### ***South Korea***

Broadly speaking, South Korea is a success story, despite recurrent crises. Emerging in ruins from the Korean War, the Republic of Korea (ROK) built an economy that places it among the more developed societies, with per capita income having reached \$10,000 per annum. In the recent past there have been problems: excessive consumer debt, youth unemployment, and non-redeemable bank loans, along with extensive corruption. Yet, according to International Monetary Fund (IMF) estimates, the South Korean economy is scheduled to advance 5.5 percent in 2004. Robust exports to China and the United States are the key factor. This assumes, however, that recurrent political crises do not adversely affect economic trends.

In broad terms, recent decades have witnessed advances on the political as well as the economic front, notwithstanding the current trouble. The ROK evolved from a military autocracy to a civilian-led democracy within several decades. Political freedom is now complete, and the expression of political views is virtually uninhibited. At the same time, however, regionalism and extensive corruption loom as challenges, and the recent opposition effort to impeach President Roh Moo-hyun created a serious crisis. The impeachment resolution passed overwhelmingly in the National Assembly with the two opposition parties, the Grand National party and the Millennium Democratic party, voting for the resolution. Roh's party, the Uri party, refused to take part in the vote.

The action of the opposition proved to be politically disastrous for them. Polls indicated that some 75 percent of the Korean electorate opposed the recall, despite the fact that Roh's popularity had dropped significantly in the recent past. The issue at stake—namely, the right of a political leader to endorse a party publicly before the permitted 17 days ahead of the election—was judged too trivial for such action. Thus in the April 15 election, the Uri party, Roh's party, won a landslide victory, providing him with a majority in the legislature for the first time. Moreover, the Supreme Court subsequently ruled that the impeachment was unjustified. Despite Roh's restoration and a more unified government, turmoil in ROK politics may not be over. Moreover, although Roh has displayed a shrewdness tactically, he has yet to meet the challenge of learning the requirements of national leadership in a satisfactory manner. It will be most regrettable if a politically weak South Korea should emerge at this critical juncture of North–South relations.

Given recent developments in the South, in this context the U.S.–ROK alliance has undergone some vibrations. Roh's election brought a man to power generally considered center-left. Subsequently, cleavages over policies toward the United States developed between the president's Blue House advisers, considered more “left,” and the

Foreign Ministry, resulting in the dismissal of the foreign minister. The new foreign minister, Ban Ki-moon, has strongly denied that ties to Washington are weakening. In a variety of ways, moreover, President Roh has reaffirmed the importance of the ROK–U.S. alliance, including his authorization to send South Korean troops to Iraq. Yet the mood in the government is generally in support of more independence and assertiveness. Another issue has been the decision of the United States to realign forces and bases in the ROK, moving troops away from the demilitarized zone (DMZ) and out of Seoul toward the south. Both from a political and a military standpoint, this move seems eminently sensible. However, it has alarmed some South Koreans as a possible sign of withdrawal or, at a minimum, as placing undue strategic burdens on the ROK.

Despite certain differences over the strategy to be applied regarding North Korea, government-to-government relations remain relatively good; yet anti-Americanism has grown at the public level, especially among the younger generations. Many are advocates of great self-reliance and independence, and a number blame the United States for inhibiting the efforts of North Korea to adjust to the contemporary world. In reality, Korean anti-Americanism runs the gamut from a reasoned criticism of aspects of U.S. policy on Korea and elsewhere to a general antipathy based on romanticism or ideological tenets. Here too greater U.S. attention to public diplomacy in terms of both policies and statements is essential. Nevertheless, recent polls indicate that a majority of the South Korean people want U.S. troops to remain in the country and want the alliance to continue.

### ***North Korea***

Turning to the North, one witnesses a highly traditional society, despite its efforts to label itself revolutionary. Until recently the Democratic People's Republic of Korea sought to pursue isolation in maximum degree, reminiscent of the

label “hermit kingdom” given Korea long ago. Moreover, an absolute monarchy with divine status and unlimited power was installed, and dynastic succession is now in place. It is necessary to understand this if one is to appreciate the huge problem of inducing this traditional society to adjust to the modern world. In recent years North Korea has been a failure economically, and its top elite has finally been forced to recognize that fact. Yet how to undertake economic changes so that they will not produce political changes and what reforms can be effective have troubled the leadership. Outside the military, the North has a very limited technocratic class, thus inhibiting economic entrepreneurship. Hence new training and new policies are essential.

Such changes have begun, with varied results. The marketplace has been expanded and wages readjusted to relate to productivity and to black market monetary rates. At the same time, efforts have been made to expand economic ties with the South. A new economic zone centered on Kaesong, next to the DMZ, is being cultivated, and South Korean industries have been encouraged to invest, utilizing the North’s cheap labor. Trade is being expanded and tourism encouraged. Modest economic gains have taken place. After the impeachment action, the North canceled a scheduled bilateral dialogue on economic matters, citing the political uncertainties in the South; however, talks have been resumed. Earlier President Roh defined his policy toward the North as one of “peace and prosperity”—in essence, a continuation of the “Sunshine” policy of the Kim Dae-jung administration.

The North Korean issue in its broader dimensions should be viewed with this domestic and two-Korea context in mind. With China taking the lead, a multilateral setting for talks with the DPRK was created despite the North’s initial demand for bilateral talks with the United States only. At this point two six-party meetings have been held and a third is scheduled. Working groups have also been created. The first six-party dialogue was held in August 2003, ended quickly, and was marked by harsh rhetoric and near total

disagreement. The second, held at the end of February 2004, continued for four days and involved serious, intensive dialogue focused on the key issues. With Chinese and Russian support, South Korea put forth a proposal for a three-stage move by the North, each stage to be accompanied by external assistance: first, a commitment to freeze its nuclear program, with energy aid forthcoming; second, action on the freeze, including a return to the Nonproliferation Treaty and an acceptance of UN International Atomic Energy Agency (IAEA) inspections, with broadened economic aid from the ROK, Russia, and China; third, the elimination of its nuclear program, with the United States providing a written security commitment.

Although this proposal did not include the endorsement of the United States or Japan, it was indicated privately that the U.S. response to the proposal was positive. The U.S. position has been that the DPRK should abandon its nuclear program in a “complete, verifiable, and irreversible” manner prior to security assurances or economic assistance. In any case, the ROK proposal was not accepted by the DPRK, and in the end, no agreement on the key substantive issues was achieved. Even the effort to produce a final document failed. Yet in comparison with the first meeting, advances in dialogue on the crucial issues were achieved, and an agreement was reached to hold a third meeting by the end of June. The two critical issues are verification and timing—namely, the sequence in which concessions and moves by the DPRK will be met by security guarantees and aid from external sources, including the United States.

As elsewhere, there are disagreements in the United States, including within the Bush administration, on appropriate policies toward North Korea. Some have argued that minimal concessions should be made and economic sanctions should be tightened unless the North gives evidence of a willingness to abandon all of its nuclear programs, the objective being to produce a change in regime. Others have asserted that the United States should work with its allies and with China

and Russia in continuing the dialogue and fashioning a meaningful set of incentives that would test the North's willingness to abandon its nuclear commitments.

Neither China nor the ROK desires a collapse of the DPRK at this time. For China, a massive flow of refugees into Northeast China would be likely. Moreover, a buffer state would have been removed, leaving the South, still aligned with the United States, on China's border. The PRC fought a war to prevent this. For the ROK, to the economic costs of absorbing a poverty-stricken populace would be added the political risks of bringing into a unified Korea some 23 million people who have known only a rigid authoritarian rule buttressed by hero worship.

Nor does any party, including the DPRK, want another war. The North's leaders seek survival, not suicide, and they know that the U.S. commitment to the defense of the ROK is credible on this occasion. Hence whatever the initial damage the North could do, in the end it would be pulverized by U.S. and ROK military power. The United States does not want another military conflict, given the costs of Afghanistan and Iraq, and the Bush administration has stated repeatedly that it has no intention of using force against the North. It also has indicated that it would be prepared to approve some type of multilateral security assurance to the DPRK.

Under these circumstances, the most logical U.S. policy would be to work with others, notably with South Korea, to fashion a specific road map for steps to be taken, with the appropriate timing, by both sides. One need not accept North Korea's demand for "simultaneous" actions by the two sides, but it is not rational to insist that the North complete a fully verifiable nuclear dismantlement before any reciprocal actions are taken by the United States or others or by a combination of the United States and others. To be sure, the final result on the side of the DPRK must be a fully verifiable and complete nuclear dismantlement; but in view of the North's economic deficiencies, staged assistance is the most logical inducement to acceptance of a process lead-

ing to that end. It should always be remembered that one of the negotiatory problems has been that the North has only one bargaining chip to place on the table, and that is threat. It has now escalated from threat to near the summit.

Some observers have suggested that given Pyongyang's deep distrust of the Bush administration, the North is likely to stall in reaching any agreement until after the November U.S. elections. This may be true, but it can best be tested by presenting a very specific road plan involving stages on both sides. In this manner, moreover, the United States can achieve the best rapport with allies and other major powers. Prime Minister Koizumi's projected trip to Pyongyang is one more example of flexibility on the part of other parties.

## **The Security Situation in Southeast Asia**

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It remains to speak briefly about the security situation in Southeast Asia and then to examine the principal security issues of the future. State-to-state conflicts between or among the 10 nations of Southeast Asia are at their lowest risk since World War II. At the same time, subregional organizations such as the Association of South East Asian nations (ASEAN), formed with both security and economic considerations in mind, have been significantly weakened in the recent past. The reasons are essentially twofold: domestic troubles besetting certain key states such as Indonesia and major differences between the original ASEAN members and more recent members such as Myanmar, Vietnam, Cambodia, and Laos.

Security issues for states like Indonesia lie in the political instability that has occurred in the course of the shift from highly centralized political control to more decentralized governance and greater freedom for the citizenry under civilian rule than under the previous military authoritarianism. Separatism and weak regional administrations are interwoven factors. In addi-

tion, despite the fact that the overwhelming majority of Indonesia's Islamic population consists of moderates, extremism has its supporters and terrorist incidents are recurrent. Moreover, leadership at the top is not strong. President Megawati Sukarnoputra, although an improvement over her predecessor, is regarded as indecisive. Many Indonesians, like others, want a strong leader. Thus the results of the July elections are uncertain.

Elsewhere, progress—both political and economic—has been stifled in Myanmar, where an aging military clique holds power; yet recently some political progress toward constitutional revision and greater openness has been pledged. In Cambodia, it has been impossible to form a new government in the aftermath of elections, as a two-thirds majority cannot be achieved. The Philippines, like Indonesia, suffers from a leadership problem and a gap between the Islamic south and the Christian north. Singapore, Thailand, and Malaysia have had relatively strong governments and reasonably strong economic performances. Vietnam is en route to a more vigorous, open economy, but it has had little immediate effect on the dominance of the Communist party.

In general, the Southeast Asian governments, despite a variety of domestic challenges, have sought to turn out good economic results, negotiating free trade agreements, both bilateral and multilateral, and seeking foreign investment. They are also in the midst of an economic rise, with export increases and enhanced domestic consumer spending. Various regional and international organizations affiliated with ASEAN have been created, notably, the Asia Regional Fund (ARF), ASEAN Plus Three, and ASEM. Although these groups hold promise, especially in the economic realm, and enable leaders to meet for sideline dialogues, they are essentially “talk,” not “action,” bodies. Genuine regionalism of the EU type has yet to be established in this part of the world.

## The Security Issues of the Future

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Looking ahead, what are the principal security issues to be confronted in the Asia-Pacific region? As noted, Taiwan and North Korea will remain complex problems, not easily or quickly resolvable. Despite these problems, the risks of a major power conflict, regional or global, seem relatively slight. There can be no victor in such a war, and the economic and political costs for all parties would be enormous. In South Asia, India and Pakistan seem to realize this fact, and in East Asia-Pacific, it is certainly clear to the United States, China, Japan, and Russia.

The security issues that must be confronted commence with those we term “human security”—notably, the availability and utilization of resources, pollution of various types, and demographic trends. Water shortages are a major problem in Northeast Asia, with desertification of tens of thousands of acres of farmland taking place. Energy sources also are increasingly being consumed. Meanwhile, winds carrying dust from deserts and fires sweep across national boundaries, creating regional problems throughout the area. Furthermore, key societies are aging rapidly, with an impact on health care and the general economy. These issues urgently require additional study and treatment, and the United States should take a leading role in organizing both official and unofficial dialogues devoted to this task.

Terrorism in its various forms and manifestations will continue to be a massive problem, and all parties must realize that this threat cannot be handled merely by military means. Certain inequities and grievances must be addressed, and economic conditions must be improved if the “war against terrorism” is to be won.

A related problem is that of faltering and failed states. As has been noted in the case of North Korea and was seen earlier with respect to Myanmar, such states unload their problems on

others, especially those in the neighborhood, and thereby create regional instability.

An entirely different challenge lies in the ongoing revolution in military affairs. The advent of a wide range of small-scale, strongly lethal weapons—including nuclear ones—along with advances in long-range deployment capacity is opening up a new and expanded approach to conflict that warrants careful study. Will such developments increase rather than decrease security risks?

In sum, these challenges lie ahead and warrant long-term, careful study by both government officials and private individuals and groups. In the meantime, U.S. policies in the Asia–Pacific region, broadly speaking, should rest on two foundations: a concert of powers and a balance of power. On the one hand, we should seek to build coalitions of nations having a common interest in a given problem or set of problems, thereby bringing together maximum effectiveness in seeking its resolution. At the same time, given

the uncertainties of the present and future, the United States should maintain a balance of power through a complex set of alliances and commitments, keeping always in mind the interests of the involved parties. Further, vastly greater attention must be given to rebuilding friendships and support at the public level abroad. The charges of hegemonism, arrogance, and unilateralism must be met by more sensitive policies and more extensive dialogues across all levels of other societies. Our military strength is formidable, but our political strength has been lagging.

### ***About the Author***

Robert A. Scalapino, a member of the National Committee's Roundtable on U.S.–China–Taiwan Relations, is Robson Research Professor of Government Emeritus at the University of California, Berkeley.