



A U.S.-China-ROK-Japan Quadrilateral Dialogue

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I. Introduction

The National Committee on American Foreign Policy, in cooperation with the Korea Society, convened a Track 1.5 meeting on May 26, 2016 in New York City that included participants from the People's Republic of China, Japan, the Republic of Korea and the United States (see appendix for the list of participants).

Forming a background to the meeting was President Obama's visit to Vietnam and Japan. Also commanding headlines and policymakers' attentions were rising concerns about the implementation of UNSC Resolution 2270 against the DPRK, as well as sovereignty disputes in the South China Seas. An arbitration tribunal created under the United Nations Convention on the Law of the Sea (UNCLOS) is expected to issue its ruling on a claim brought by the government of the Philippines against China concerning contested sovereignty claims in the South China Seas. China has indicated in advance that it does not recognize the legitimacy of either the Philippine claim or the arbitration panel's jurisdiction to rule on the matter. The inauguration of a DPP government in Taiwan under President Tsai Ing-wen had also just occurred.

Attention was concentrated on several concrete issues, most notably: 1) the changing security and regional order in the Asia-Pacific; 2) security hotspots, in particular the DPRK, cross-Taiwan Strait relations and maritime conflicts; and 3) policy recommendations.

The following report provides a summary of key discussion points followed by the meeting's major policy recommendations.

II. The Asia-Pacific Security Order

Participants devoted considerable time to characterizing today's Asia-Pacific security 'order' and the directions in which that order is moving. One broad conclusion was the shrinkage in the areas of four-party cooperation and the parallel rise in regional frictions. The region remains a long way from becoming a stable and peaceful community.

Shifting Structures of Regional Power

The regional order previously marked by U.S. dominance and the primacy of geo-economics has been challenged on a number of fronts. Most prominent has been China's rapid economic development and more particularly its quickly expanding military development. The combination of economic and military muscularity has dramatically multiplied the country's strategic weight in the regional order. Unclear is how these developments will challenge or change the regional order.

Further complicating easy characterization of the regional order is what some referred to as 'the Asian paradox,' namely the rise in security tensions despite the deepening cross-border economic interdependence among all four of the participant countries as well as between each of them and the countries of Southeast Asia.

Contributing to tensions in the regional order has been the deterioration of several bilateral relationships, most dramatically that between China and Japan, but also between Japan and Korea. The range and variety of contributing factors behind such bilateral fissures add to the tense geostrategic climate that now permeates the region. Several pointed to an emerging regional arms race as further exacerbating structural security competition. And as will be addressed in subsequent sections, a number of specific trouble spots are having broad regional impacts. How these situations evolve will also shape future relations in potentially sweeping ways.

China-U.S. Competition and the Status-quo

Many participants pointed to a growing competition between China and the United States. This has been played out in bilateral security interactions but also in economic structures. The latter crystallizes in the seeming competition between the Asian Infrastructure Investment Bank (AIIB) and the Asian Development Bank (ADB) or between the Trans-Pacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP). Several participants saw the combination of security and economic competition as evidence of a systemic power transition: a 'rising China' anxious to change the status quo and a 'declining U.S.' determined to maintain it. To others it marked at least a shift in the center of gravity within the region.

That China's material *capabilities* have expanded rapidly was not questioned. More of the discussion concerned questions of China's long and short-term *intentions*: to what extent is China seeking to change the status quo, one that most participants identified as resting on an economically liberal order and the primacy of multilateral security, financial, and trade regimes? More concretely, if China does become the regional center of gravity would it resemble the U.S. under the early Monroe doctrine when America's military force and coercive diplomacy were regularly employed against weaker neighbors? Or would China pursue a path more similar to that surrounding postwar European integration and America's post-2000 interactions in the Western Hemisphere, namely orders based on economic interdependence, minimal coercive diplomacy, and a respect for national differences?

Not all participants shared the view that recent security challenges prefigure a major recalibration of power and order across the region. Several stressed that there was little evidence to support claims that China favored a radical overhaul in the status quo. One Chinese participant noted that any close reading of Chinese official statements, internal policy debates and academic writings would show that Chinese officials and leading intellectuals demonstrate no evidence of a desire to restore the country's historical centrality in East Asia. The Central Kingdom mentality, he said, prevailed centuries ago and rested on limited knowledge of the larger global world. Today's Chinese leaders are steeped in a consciousness of the world around them.

In addition, U.S. policymakers have long stressed their willingness to accept changes in the status quo, so long as those changes are not the result of military force or threats. At the same time, U.S. mishandling of proposals to give China a larger role in the IMF and its fumbling of the China-initiated AIIB left many wondering if American actions matched the country's declarations of principle.

China has always been influential over regional events, some participants emphasized, and recent trends are just a logical extension of the country's substantial economic capabilities and its greater efforts to shape regional developments. One American participant expressed the view China was not in fact a revisionist power. U.S.-China tensions, he believed, centered on difficulties associated with Chinese efforts to restore its centrality to the region without causing overt conflict while the U.S. is simultaneously seeking to retain its regional role, also without stumbling into a war.

Xi Jinping and Barack Obama appeared to have agreed to sweeping cooperation at their Sunnylands Summit in June 2013. They agreed to pursue China's proposed "new kind of major power relationship." This formulation reinforced discussion that the order would move to one shaped largely by a G-2. Yet the phrase "new kind of major power relationship" has largely disappeared from official U.S. statements of late. It was seen as too subject to misinterpretation and too sweeping in its implied limits over U.S. interests in the region. In its place has come an American emphasis on ad hoc and issue-by-issue cooperation.

U.S. and Chinese interests overlap in some areas, most often with problems arising *outside* the region as shown in joint cooperation on climate change and the Iran nuclear deal. But some cooperation has also emerged *inside* the region, most recently concerning sanctions aimed at denuclearization of the Korean peninsula.

Few of the participants gave much credence to the notion that a G-2 collaboration would play a major role in shaping the region. In fact, Japanese and Korean participants were strong in their conviction that their countries would oppose any such a bilateral concentration of power if it came at their expense. One ROK participant stressed that even the implied competition between the U.S. and China often forced Korea to make hard choices such as whether or not to attend the last year's PRC military parade celebrating the "defeat of fascism." President Park was the only leader of an industrial democracy to participate for which she was subsequently criticized by the U.S.

Several Japanese participants, however, remained unconvinced of China's intentions to work collaboratively. They stressed their conviction that China is demonstrating revisionist tendencies insofar as it has recently been acting with force and contrary to international norms in explicit efforts to alter contested maritime boundaries. One noted that even if China's *goals* have not changed much since the 1970s, the *means* by which those goals are being pursued have shifted in major ways. These challenge the status quo through force. Extrapolating from recent events several participants saw such actions as reflecting China's goal of ending "one hundred years of humiliation" and restoring China to a position of regional centrality, even if doing so leads to the exercise of military power and informal coercion.

A number of Chinese participants challenged such accusations from several directions. One asked if there is any real evidence to support charges that China is seeking to restore its status of 100-plus years ago. Another noted that ever since 1949, China has exercised considerable regional influence, particularly continentally. Any recent efforts by China to exert influence are not new. Others emphasized that China was hardly the first country to turn rocks and reefs into islets and islands. Furthermore, many of the actions criticized by others were seen by Chinese participants as nothing more than legitimate Chinese reactions to external provocations. Still others noted that, unlike the U.S., China is not pursuing a bloc-oriented strategy of alliances in the region. Instead it is endeavoring to avoid all zero-sum contests.

U.S. actions were also seriously questioned by Chinese participants as explicitly aimed at checking China's expanding influence. The Obama administration's 'rebalancing' policy, the expansion of America's existing alliances, U.S. freedom of navigation operations (FONOPs), and the articulation of "Air-Sea Battle" were seen to have triggered responses from China and validated fears that the U.S. and its allies sought to contain China. Nevertheless, there was strong support among all participants for President Obama's visit to Hiroshima and the message he delivered.

American Staying Power

Several participants, including Americans, asked if the emerging order was one in which the U.S. would continue to demonstrate the staying power needed to remain a vigorous player in regional events. American policymakers articulate a strong intention to remain engaged in Asia. Yet economic engagement through the Obama administration's showcase piece, the TPP, faces the likelihood of non-passage by the Senate as well as vocal opposition from the presidential candidates. Furthermore, sustained engagement will confront rising American public demands for greater budgetary constraint and policy attention to domestic problems. In addition, the U.S. public—joined by many policymakers—shows a growing reluctance to support overseas military actions after fifteen years of costly wars in the Middle East and Central Asia. Thus, it may become more difficult for U.S. policymakers to marry regional actions to intentions.

One participant was less troubled that recent events represent a major inflection point for the U.S. He noted that we have seen earlier periods of reduced U.S. focus on Asia such as the Nixon Doctrine, President Carter's plans to reduce U.S. troop levels in Korea, and efforts to take advantage of the "peace dividend" in the early 1990s. U.S. engagement levels may go through ebbs and flows but in the long-term its engagement in the region has remained high.

Worries about possible U.S. disengagement were strong among the Japanese and South Korean participants. They expressed their countries' concerns about America's staying power, especially under a possible Trump administration, a prospect that worried virtually everyone around the table. Equally worrisome to many Japanese and Korean participants was the belief that the U.S. was trapped in its relations with China between economic interdependence and strategic competition. As a result several participants saw the U.S. as having been too tepid over the past few years in its responses to China's military assertiveness.

Additionally, several participants raised the longstanding worry of whether in the face of a DPRK nuclear threat, the U.S. would be willing to risk Los Angeles to save Seoul. Indeed one Korean participant pondered whether the U.S. or Japan would even be willing to risk Tokyo to aid South Korea. From his perspective it was incumbent on Korea along with other countries in the region to find their own best strategies going forward, always less than 100 percent sure of U.S. strategic assurances.

The Complication of Domestically-driven Nationalism

The regional order, in the eyes of one Korean participant, will also be shaped by what he characterized as "the crisis of democratic governance," namely the rise of nationalism and the consequent temptation for leaders to play a populist card that exacerbates tensions with neighboring countries. Doing so allows politically anxious leaders to deflect voters' attention from domestic issues. Domestic politics in his view is likely to be more of an impediment than a contributor to a peaceful regional order. Collective memories of the long history of their negative interactions in the late 19th century and the first half of the 20th century provide fertile ground and a psychologically receptive climate for such populist appeals. It may be difficult at times for policymakers to avoid mutual demonization of neighboring countries.

More positively, participants noted that issues of historical memory and the legacies of World War II that had taken center stage as highly contentious regional disruptions have diminished in centrality. Nonetheless, such issues did arise periodically throughout the discussions. Some credit for improvement on historical matters was given to Japanese Prime Minister Abe's cessation of visits to Yasukuni Shrine as well as to his deft and largely reassuring statements about Japan's prewar and wartime behavior in August 2015 and his assertion that Japan should learn from, and never repeat, its past mistakes. This message was reaffirmed in his November 2015 speech before the U.S. Congress.

The resumption of the Trilateral Leaders' Summit in November 2015 demonstrated at least a temporary Chinese and Korean mollification allowing historical issues to be shelved for the time being as the three countries refocused on areas of potential cooperation. Whether or

not such improvement in three-party relations increase the chances of four country cooperation on security matters and whether they portend a long lasting improvement in the regional order appear to be far less promising.

Several academics who have experienced student exchange programs stressed that young Chinese, Japanese and Koreans rarely interact with one another on the basis of the political positions of their governments. Instead, they are wide open to cooperation and collaboration on non-political issues. They form cross-border friendships with little of the historical or nationalistic baggage that animates older generations in all three countries. Those experiences could suggest more cooperative regional relations going forward. One Korean participant however noted that in his view younger Koreans were even more nationalistic and less in favor of cross-border cooperation than their parents. He was less convinced that the regional order would automatically improve with the next generation.

Is the Regional Order Driven by Structures or Interpretations?

Although most of the discussions of the regional order emphasized structural factors, several raised the argument that structures are not completely objective and that interpretations of “threats” or “friendly gestures” can be highly subjective. How leaders choose to view specific actions can play a large part in whether or not the region witnesses a positive spiral of improvements or a negative spiral into reinforcing strategic dilemmas.

In this context, one participant stressed that a more peaceful regional order would be possible if countries focused on what they could do to improve conditions rather than blaming poor relations on neighboring states. German-French reconciliation following World War II was the result less of explicit structures and policies and more the consequence of courageous leadership. Past periods of cooperation in East Asia, it was noted, have been the result of leaders willing to take chances on mutual trust.

Another participant stressed the value of calculated ambiguity in improving diplomatic relations. Ambiguity allows each side to assume an interpretation most favorable to its side while ensuring that agreements per se could be built on to further improvement in relations. But the negotiating sides must have an overarching interest in finding the grounds for such ambiguity and it was not always clear that improved relations were an overriding goal for some leaders.

A concluding point on the subject of regional order was the emphasis that any security order depends on two things: 1) a balance of power; and 2) an accepted set of norms. At present, the Asia-Pacific has some version of a balance of power but it lacks agreement on a comprehensive set of norms. As a result what are now most needed across the region are rules that can be commonly accepted by all players. That such a set of rules could be agreed upon however was openly doubted by several participants.

III. The Democratic Peoples' Republic of Korea

There was almost universal agreement among the participants that the DPRK remains the region's most volatile flashpoint. The DPRK's fourth nuclear test in early 2016, along with its enhanced missile program, was seen as the greatest immediate threat to regional peace. Several participants stressed that the magnitude of the threat and the common interest of all four countries (China, Japan, the ROK and the U.S.) in containing it should enhance cooperation among them. The four needed to search for specific strategies and details about which they could cooperate. Yet a number of problems impede easy cooperation.

The Need for Factual Details

There was a powerful argument that one of the most pressing needs is to correct the limited amount of factual knowledge among non-DPRK policymakers concerning the DPRK's nuclear and missile program. How extensive is the country's nuclear stockpile? How many missiles with what capabilities does it possess? How far has miniaturization gone? Just how many miles away and with what force and accuracy can the DPRK deliver a nuclear weapon? Even more worrisome, is it possible for the DPRK to deliver a nuclear bomb or other WMD via suitcases or similar easy-to-transport means to virtually any spot on the earth? These, it was argued, are the kinds of questions that would benefit from cooperative sharing of data by technical experts from all four countries. Only then can the nature of the DPRK's various threat capabilities be accurately assessed and targeted reactions be formulated.

Equally worrisome, stressed one participant, is the fact that seasoned negotiators with expertise on the DPRK nuclear issue are becoming fewer in number. Some prior DPRK negotiators, for example, have moved out of their positions. Many senior U.S. negotiators have either died or retired. So even if negotiations were somehow to resume, it might be difficult to bring the fully needed complement of negotiators with knowledge of past agreements and current problems to the negotiating table.

The Nature of the Threat(s)

Even with such information, however, participants identified at least six types of threats to the regional and global order posed by current DPRK nuclear and missile programs: 1) the DPRK's continued expansion of its nuclear arsenal; 2) the challenge to the global non-proliferation regime; 3) the danger of escalation from conventional conflicts into nuclear use; 4) challenges to prior cooperation among the four countries; 5) the upending of the current regional nuclear balance, stimulating countries like Japan to reevaluate their existing commitments to the nuclear non-proliferation regime and 6) the dangers associated with a DPRK regime collapse.

Denuclearization and the Growing Arsenal

The DPRK's stockpile of nuclear material is expanding rapidly. Over time it is increasingly unlikely that the DPRK will entertain the prospect of complete denuclearization. Yet denuclearization remains the stated goal of the other parties to the Six-Party Talks. Kim Jong Un has committed himself to fulfillment of what he calls his grandfather's dream, namely making the DPRK a full-fledged nuclear power. This position was recently reaffirmed at the 7th Party Congress.

A Chinese participant pointed out that for China, the expansion of the DPRK's nuclear arsenal poses a related and often unaddressed threat, namely the risk of a nuclear accident which would have a major impact on China as a close neighbor.

At the same time, North Korea, one American participant contended, is locked in a legitimacy spiral: even though the leadership might wish to pursue economic growth the regime's legitimacy and its continuity in power rests disproportionately on its nuclear program. The nuclear program however triggers sanctions that make it ever more difficult for the regime to pursue economic development.

The U.S. has been reluctant to allow the DPRK to hijack its global agenda by reacting to each and every DPRK twist and turn. Washington has no interest in pursuing negotiations for their own sake and North Korean issues have not been of high importance in recent months. But U.S. policy remains anchored in the commitment to deterrence of any military actions by the DPRK, conventional as well as nuclear.

Nonetheless, the U.S. continues to pursue denuclearization even though the DPRK's bargaining strength multiplies with time thus making denuclearization ever more difficult to realize. The U.S. also faces the dilemma that any talk of preemptive actions reinforces DPRK claims about facing existential threats from the U.S.

Equally at issue, particularly for Chinese participants, the U.S. and ROK have agreed on the deployment of Terminal High-Altitude Area Defense (THAAD) as a system to detect and intercept any DPRK missile attacks. China has been very critical of THAAD deployment, arguing that its deployment will challenge China's current nuclear and missile deterrence capabilities. Several Americans contended in turn that the system could not easily be used to disrupt Chinese defenses. In addition, they stressed that if China was truly worried about THAAD it should realize that the trigger for its deployment was the DPRK's nuclear and missile programs and direct their anger at the source of the problem.

If denuclearization has become a less realistic target the next best hope may be a freeze on future DPRK nuclear production, i.e. no new nuclear material. Further, as one participant suggested, since the major regional challenges posed by the DPRK are to South Korea and Japan, it might be advisable to focus any future negotiations on limiting DPRK *missile* capabilities rather than concentrating exclusively on the perhaps now futile goal of denuclearization or even a nuclear freeze.

Challenge to the NPT

As the DPRK expands both its plutonium and highly enriched uranium (HEU) programs, the country's leaders have become adamant in their demand to be recognized as a nuclear power on a par with the existing P-5 nations. The other powers in the region, and the world at large, are equally adamant in refusing. That said, what is to be done?

Semantics have developed over just what is meant by various terms referring to the growing DPRK nuclear arsenal. "Recognize," "accept," "admit," "acknowledge," have all been bandied about, often interchangeably. It is important to remember that even during the Six-Party Talks the participants acknowledged that the DPRK "had" nuclear material. That is not at issue. Unclear however is how to deal with the realities of today's nuclear material in the DPRK without conveying legitimacy and acceptance to the program. To date, the P-5 do not recognize India, Pakistan or Israel, all nuclear weapons holders, as nuclear weapons states. To do so would undermine the NPT and the P-5's ultimate goal of retaining P-5 hegemony over such weapons and preventing their spread to other states (and increasingly worrisome, non-state actors).

The best hope going forward may well involve finding some semantic solution that preserves the principle of "non-recognition" while restarting talks.

Escalation

Conventional DPRK provocations have been closely associated chronologically with U.S. or ROK elections as well as with joint military exercises by these two countries. Hence it is highly likely, according to one participant, that we will see one or more provocative actions by the DPRK in fall 2016.

This poses a near-term problem insofar as the U.S. and the ROK have jointly agreed to respond to any conventional DPRK provocation asymmetrically, as opposed to proportionally, as had long been the battle plan. While the logic of the U.S.-ROK response seeks to deter DPRK provocations, disproportionate reaction risks rapid escalation. The U.S. has made it clear that it will not use military force to end the DPRK's nuclear buildup because it is aware that doing so would surely trigger massive conventional, if not nuclear, retaliation by the DPRK. Yet some participants expressed the view that the DPRK might indeed use its nuclear weapons, despite the widely shared conviction that doing so would almost certainly guarantee the total destruction of the regime.

The dangerous fact is that the DPRK has only two rungs on its escalatory ladder—artillery and nuclear weapons. And even though the DPRK has frequently said it rejects any first use of nuclear weapons, it has also said that nuclear weapons would be unleashed if the DPRK was attacked (including presumably by conventional means).

Such conflicting DPRK statements seem to reflect ambiguity or confusion on the part of DPRK policymakers about the accepted meaning of "first use." As one participant involved in negotiations with the DPRK contended, DPRK negotiators too often have a totally idiosyncratic interpretation of terms like 'no first use' or 'mutually assured destruction' that is different from

interpretations commonly accepted by most others who use the terms. Furthermore the North Koreans who have the best understanding of such terms as well as concerning the DPRK's overall weakness are often least able to influence nuclear policy in their country. Hence any conflict, however small it may appear at first, runs a strong risk of rapid escalation that could include DPRK nuclear use.

Challenges to Existing Cooperation among Neighboring States

Prior cooperative relations have become more problematic as the four countries differ over how best to respond to the DPRK nuclear threat. UNSC 2270 was presented as demonstrating a strong and coordinated response by all affected parties, including China. But it took several weeks before agreement on the resolution's wording was reached, reflecting the sharp differences over how far each of the countries were prepared to go.

At the public level China and the DPRK have become more mutually negative in their statements about one another and most Chinese participants emphasized that leaders in China, deeply upset by the fourth nuclear test, were rethinking their country's longstanding policies toward the DPRK. As one put it: "The message to the DPRK is clear: you were wrong; now you have to pay a price." The Chinese government, it was argued, is now prepared to enforce tough sanctions. Other participants were less convinced, fearing that UNSC 2270 had too many loopholes and that many small Chinese businesses and regional Chinese governments bordering the DPRK would find it financially lucrative and administratively easy to skirt the sanctions.

DPRK behavior also threatens to drive a wedge into cooperation between Korea and Japan as well as between the U.S. and each of its allies. Differing approaches to the sanctions, humanitarian relief clauses and the like often find even these three allies pursuing separate strategies.

In this regard, Japanese and Korean participants differed on the desirability and likelihood of Japanese participation in any future regional conflict on the Korean peninsula. Whether Japan should provide military assistance to the ROK is a subject that has arisen in Korean policy circles since Japan's reinterpretation of its right to exercise collective self-defense. Many Korean commentators have insisted that Japanese troops would not be allowed onto Korean soil without the explicit invitation of Korean government officials. Yet unexamined in such discussions is whether Japan would actually wish to come to Korea's assistance. Given that mil-mil cooperation between Japan and the ROK has been sporadic and that no concrete scenarios have been developed for joint actions, even a kinetic crisis on the peninsula might not result in instant Japanese military mobilization or assistance.

Regional Proliferation?

One Japanese participant expressed his belief that if the DPRK gains any official recognition as a nuclear state the result will be the de-legitimation of a previously stable postwar regional nuclear regime. The nuclear order in Northeast Asia has been based on Japanese nuclear self-restraint predicated on the belief that so long as Japan remains non-nuclear no other state in the region would acquire such weapons. That self-restraint would be challenged by any overt acknowledgement of the DPRK as a nuclear state. He said this despite his strong personal view that Japan should not acquire nuclear weapons. Not all participants, including some Japanese, believed Japan would pursue such an option given the entrenched pacifist and anti-nuclear predispositions of the Japanese public.

Similarly a Korean participant contended that the ROK would be likely to work toward completion of the fuel cycle. Inside his country today there is less resistance to talk of creating a nuclear deterrent. Indeed, several other ROK participants stressed the rising debates in South Korea about whether it too needs to develop a nuclear deterrent to deal with the DPRK's capabilities.

Regime Collapse and the Nuclear Arsenal

A final challenge identified by some participants was the possibility of a DPRK regime collapse.

There was wide disagreement among participants concerning the stability of the current DPRK regime. One Korean participant claimed that Korea's Department of Intelligence Services had concluded that if stability in the regime of Kim Il-sung was ranked as a 'ten,' that of Kim Jong-il was a 'seven,' and Kim Jong-un is only a 'three.' Nevertheless, any short-term regime collapse was viewed as very unlikely by most participants. It was noted that predictions of such a collapse have had a long, and unfulfilled, history.

One American participant openly argued that the only real solution to the DPRK nuclear issue, along with the DPRK's human rights abuses, necessitated working for long term regime change. Doing so would involve the imposition of biting sanctions, including penalties carried out through the global financial system. Such an effort might impel the DPRK to return to the bargaining table with a greater willingness to negotiate about denuclearization. At the same time it could also lead to actual regime change. Positive as a regime change might be in the long run, however, it might well unleash chaos in the short run.

U.S., ROK and Chinese policymakers have done planning for such a collapse but with no official exchanges of strategies or tactics among them, let alone any joint planning. A high priority for all three governments must therefore be to create mechanisms that would build mutual trust and facilitate cooperation in securing DPRK nuclear material and WMD in the event of major regime instability and/or collapse. A first step in this direction is pre-planning among top leaders concerning how best to share what is likely to be conflicting intelligence about the DPRK and events surrounding any regime instability. Agreement on specific roles and missions for the militaries of all three is also critical.

IV. Cross-Strait Relations

The sweeping victories by the Democratic Peoples' Party (DPP) in the January 2016 presidential and legislative elections in Taiwan saw the assumption of the Presidency by Tsai Ing-wen. Many participants expressed concern that this transition could upend the last eight years of increased economic, cultural, transportation and communications improvements that had taken place between the Mainland and Taiwan under the KMT presidency of Ma Ying-jeou (2008-2016).

The participants spent considerable time discussing how best to interpret President Tsai's inaugural speech of May 20, 2016. The Chinese government officially labelled the speech as 'incomplete.' It failed, in their eyes, to reaffirm explicitly the so-called 1992 Consensus which commits both sides to the principle of one-China. And several Chinese participants stressed the centrality of the '92 consensus to the longstanding Chinese view that Taiwan remains a purely 'domestic' political issue.

Other participants however stressed that by speaking explicitly about the Act governing relations between the "Mainland area" and the "Taiwan area," Tsai could and should, be seen as having offered a major opening for creative interpretation by Chinese officials, had they wished to do so. In this view, Tsai moved a considerable distance towards the Mainland with her remarks. A Chinese government anxious to do so could well have interpreted her speech as 'close enough' to the '92 consensus to provide a basis for continuation of improved relations.

Several participants, however, stressed that public opinion in Taiwan has been moving systematically away from support for reunification with the Mainland. The status quo plus de facto sovereignty is now the prevailing goal of large swaths of the Taiwanese public. Such a popular mood swing in Taiwan exacerbates Chinese anxieties about the stated goal of reunification.

V. Maritime Contests

The bulk of the maritime security discussion concerned disputes in the South China Seas (SCS) even though testy relations between Japan and Korea over Dokdo/Takeshima and between China and Japan concerning the Senkakus/Diaoyus also emerged.

The contentious maritime sovereignty problems involve boundary or administrative control issues left unresolved after World War II. Multiple competing sovereignty claims remain over various rocks, islets, reefs and outcroppings across maritime East Asia. Beyond issues of sovereignty there are contentious disputes concerning overlapping Exclusive Economic Zones (EEZs) and ambiguities over what constitutes a legitimate claim to various maritime resources. Indeed, few conventions have been reached that delimit the rights of fisherman from all countries to follow the fish regardless of sovereignty disputes. All of these pose significant risks of escalating confrontations.

A number of participants saw recent tensions in the SCS as due to China's abandonment of the previously agreed to Code of Conduct. It was instead using flotillas of Chinese fishing boats along with Coast Guard and other official or quasi-official ships to advance the maritime areas under de facto Chinese control. Similarly provocative to many was China's movement of an oil exploration rig into waters contested by Vietnam in 2014. More recently a series of extensive Chinese dredging actions and artificial island creations have taken place around contested reefs and rocks. By mid-2015 these had created over 810 hectares of new "Chinese territory," much of it topped by air strips and military equipment. And although UNCLOS recognizes no EEZ or 12 mile limits as redounding to the administrators of such artificially constructed islands, the new artificial islands give China de facto control of important new maritime outposts while also creating new facts on the ground.

One Chinese participant stressed the historical importance of China's so-called Nine Dash Line. He contended that this was legally a part of the post-World War II settlement and had remained uncontested by other countries in the region until quite recently. The line, he argued, also reflected long-standing Chinese historical claims. Recent Chinese maritime actions, he contended, reflected nothing more than China's efforts to protect its historical territory.

There was pushback on that interpretation from another participant who contended that the original articulation of the Nine-Dash Line announced by the Republic of China (ROC) as the Eleven-Dash Line was not recognized as having any particular meaning by any other country. In fact, the original line referred only to ROC claims to sovereignty over *land* features in the South China Seas. China today however has been interpreting it as conferring sovereignty over not only land features, but also maritime areas and their resources. It is also being used as the basis by which to ignore the EEZ claims of other countries on the SCS.

Several Chinese participants emphasized that tensions in maritime East Asia are far more the consequence of the steady number and, to their view, invasive presence of U.S. naval ships and aircraft along China's coast. They also criticized U.S. ships carrying out high profile FONOPs as well as the recent highly-publicized visits by Secretary of Defense Carter, particularly in the areas surrounding China's manmade islands.

Several participants from different countries raised questions about the intelligence value of direct surveillance or utility of FONOPs and whether the U.S. could reduce the number and proximity of such operations. One Chinese participant, taking note of the fact that the U.S. asserts its neutrality on the sovereignty claims in the SCS, contended that U.S. actions are driven primarily by American efforts to restrict China's maritime military capabilities. These Chinese capabilities, he contended, might eventually lead to Chinese control of the SCS and challenge U.S. interests in the region. At the same time, when U.S. actions are widely publicized it is difficult for any side to back down.

Responding to questions about the value of FONOPs, one participant noted that the U.S. carries out such operations worldwide to challenge what it believes to be excessive maritime claims. These actions include challenges to allies. There is, however, no coercion involved.

One American participant stressed that the SCS, despite recent anxieties concerning actions there, is hardly the most important issue in U.S.-China relations. Nevertheless, it is there that security relations are now most conspicuously playing out. Moreover, it is an area where the U.S. and China could most easily come into conflict because of U.S. treaty obligations to Japan and the Philippines as well as America's implicit security obligations to Taiwan.

Particularly troubling in these contested maritime areas are the risks that simple accidents can occur unintentionally under conditions of high tension in close and contested military situations amid efforts by two or more contending parties to adhere to their 'rights.' These in turn could trigger a rapid spiral of escalation despite the best intentions of the parties involved.

Competing Chinese and Japanese claims over the Senkaku/Diaoyu islands became tense following the 2010 collision between a Chinese fishing boat and Japanese Coast Guard cutters. They rose further after the Japanese government purchased three of the previously privately-owned islands. That triggered Chinese pushback against what it claimed was a nationalization of the island group and a challenge to the previously tranquil status quo. Chinese fishing boats and governmental vessels along with Chinese planes have since penetrated the contested waters to assert Chinese sovereignty claims. These were usually met by Japanese Coast Guard vessels and ASDF planes in a countervailing demonstration of Japan's claims.

These sovereignty issues are not likely to be resolved. They must be managed in ways that will minimize the chances of inadvertent accidents. To this end participants pointed to an elaborate kabuki known as the 3-3-2 system that has emerged regarding the Senkakus/Daioyus. Three Chinese boats will enter the contested waters three times a month staying for two hours. They are then escorted out by Japanese Coast Guard vessels. China can maintain that it is exercising its claims of sovereignty under "rules" that are unwritten but that reduce the dangerous risks of accident. Also, Dokdo/Takeshima was raised by a Japanese participant as an example of an area where sovereignty disputes continue to surface regularly but where neither side has resorted to military force.

VI. Prospects for Renewed Dialogue

Dialogue, discussion and collective efforts at peaceful resolution of these issues were widely advocated by most participants. At the same time, the actual chances for such cooperation seem remote, particularly on the DPRK nuclear issue.

In assessing the threats posed by the DPRK, there was considerable interest in exploring whether various dialogues could be renewed as a means to mitigating the threats.

It is clear that a major impediment to any renewed dialogue involving the DPRK is the American refusal, as one American participant noted, to accommodate the DPRK's insistence that it be treated as a nuclear weapons state. For the U.S. it is impossible to begin any formal negotiations without having the issue of denuclearization on the table. In the 2005 joint statement the DPRK along with all parties committed themselves to denuclearization of the Korean peninsula but today the DPRK refuses negotiations on that basis.

Concerns were also expressed that given current U.S. political divisions, Pyongyang could well resist coming to any deal with an American president on any matters for fear that the deal would be reversed by a truculent Congress, as shown by the current difficulties being faced by TPP.

At the same time, there was a strong push by several participants for the announcement of Five-Party Talks (or Six-Party Talks minus One). Ideally such talks could begin immediately but it was likely that neither China nor Russia would agree. A more promising idea, several contended, was for the five to state publicly that if the DPRK conducted a fifth nuclear test, five-party talks would be opened as a means of seeking a five-party agreement on how best to isolate the North even further. Many participants believed that the threat of five-party unity might well forestall further DPRK nuclear testing.

Such a five-party threat might also play a positive role in 'setting the table' for the North's return to negotiations. At the same time, several participants were highly skeptical of the value of negotiations with the DPRK. In this view the North had cheated on all prior agreements and there was no reason to trust that future agreements would prove different. At a minimum the lack of mutual trust would impede productive negotiations, particularly if the North came into negotiations as a consequence of external pressure.

Was the question of denuclearization such a powerful issue that dialogue could not begin on any other issue? Even if dialogue on nuclear questions remained stalled, one participant asked, should humanitarian and educational exchanges with the DPRK be curtailed. It was pointed out that such engagements with China had preceded eventual normalization of relations. A number of participants agreed that such exchanges could be positive particularly on POW/MIA issues or even North-South mil-mil cooperation.

Beyond issues involving the North and nuclear weapons there was also discussion of the benefits of dialogue among the four countries themselves. Several participants stressed the value of collectively addressing issues not central to hard security. This could include such things as environmental security, health and pandemics, natural disasters and other non-traditional security areas.

A number of participants advocated establishing mechanisms for joint cooperation in such areas since they held the potential for win-win situations. This appeared particularly promising in the environmental area since it was a major quality of life concern; it also was an area where environmental improvement could generate profitable technological developments; and it was an area where asymmetric needs and technical abilities of the different countries could be productively fused.

A Chinese participant noted however that any four-party mechanisms would find China at risk of isolation since the other three were alliance partners with common political systems.

VII. Policy Recommendations

In seeking group agreement on policy recommendations, one participant noted the difficulty in reaching any such agreement because each of us approaches such recommendations with assumptions that may not be shared by others. Another was skeptical about the extent to which any policy recommendations could be effectively implemented even by favorably disposed governments. Many problems are now transnational rather than national. Governments are constrained from long-term planning by short-term domestic political calculations, critical media, and cyber-sensitive publics. Foreign policy elites in some countries, most notably the U.S., are losing their prior grip on the policy agenda. Domestic political structures often restrict governmental maneuverability. In such ways even the most creative recommendations face high political hurdles.

One point on which there was strong agreement concerned the need for issue *management* rather than hope for some longstanding resolution in the form of a *grand bargain*.

Far more agreement and optimism was generated, as noted, around the belief that cooperation could be found in a variety of non-traditional security issues. Such areas are particularly promising because their resolution more often necessitates solutions that are technical and administrative rather than political. In addition, if multiparty cooperation can be reached on such issues, there is the possibility of positive spin-offs into other areas. Ultimately, if leaders actively publicize the benefits of any agreements reached, there is also a chance of reducing some of the xenophobia and mutual demonizing now found on a number of security issues.

On North Korea, there was broad agreement, as noted above, that a fifth nuclear test by the DPRK should trigger a quick and collective move by the other five countries to isolate the DPRK by immediately initiating Five-Party Talks. All five have expressed increasing frustration with the DPRK and their inability to alter the situation. Instead of disparate bilateral negotiations or individual country reactions to a fifth test, an immediate, collective and institutional response is needed. A Five-Party process, it was noted, would also provide a framework within which various combinations of countries could meet for component negotiations, whether bilateral, trilateral or other.

Some participants urged that a fifth test might actually be prevented if the five countries could announce collectively their commitment to such five party talks *before* any additional test as a clear and unmistakable threat to the DPRK that might prevent such a test. Less agreement was reached, however, on whether all five countries were yet at the point where they were prepared for such a direct challenge to, and explicit isolation of, the DPRK.

Cross-Strait relations did not generate any specific policy recommendations. Relations have been improving for the past eight years and whether this trend will be reversed is unclear. Any deterioration will likely be the result of domestic political change in Taipei and reactions from Beijing. But participants were hopeful that pragmatism and diplomatic ambiguities would prevail over hard and mutually antagonistic ideologies.

Much the same approach prevailed on maritime contestations. The 3-3-2 'solution' to the Senkakus/Diaoyus dispute was seen as one pragmatic approach to maintaining competing sovereignty claims while simultaneously reducing the risks of inadvertent accidents that could be politically problematic and militarily dangerous.

VIII. Conclusions

A number of conclusions emerged from the meeting. Problems surrounding the DPRK nuclear and missile programs were collectively seen as the most troublesome. This was particularly true because there seemed to be limited prospects to achieve what the four countries might consider their desired resolution, namely denuclearization of the DPRK. At best were hopes for a freeze and progress on missile restrictions.

The South China Seas issue was seen as both dangerous and not subject to ready resolution. The positions of all four countries, along with those of various claimants to maritime territories in the SCS remain clear but far apart. At present the best hope for avoiding major conflicts seems to lie in pragmatic management aimed at reducing the chances of inadvertent accidents that could in turn trigger larger conflicts.

Taiwan was viewed as potentially the source of increased cross-Strait tensions with the election of a DPP government. But most participants saw President Tsai as a practical, rather than an ideological, leader. She appears to be making good faith efforts to check her most radical Green supporters while dealing with China in highly pragmatic ways. Whether or not she has a receptive partner on the other side of the Strait will determine whether this area reverts to being one of the region's more dangerous or not.

Even though these issues did not appear ready for resolution at present, the recent reduction in tensions surrounding divisive issues linked to historical memory offered some hope that creative and willing leadership can periodically find temporary solutions to problem that have long resisted cooperative solutions.

A wide array of views arose concerning how to interpret recent Chinese and U.S. interactions and their broad implications for the emerging regional order. That the region was moving toward greater multi-polarity seemed clear. But there was less consensus on whether such multi-polarity would automatically generate a sequence of sharp confrontations, coercive diplomacy and enhanced risks of kinetic conflict. Again conflict management rather than conflict resolution seemed to offer the most hope.

The one area where four-party cooperation appeared to be most promising was in dealing with North Korea. All four countries have grown increasingly committed to finding common ground in their efforts to reduce the DPRK nuclear challenge. Yet much depends on how effectively they can coordinate their recent efforts to bring about a change in DPRK behavior.

There was consensual support for four power cooperation on non-traditional challenges such as nuclear energy safety, environment, terrorism, piracy and pandemics. Most participants believed that all parties could address such issues in the spirit of cooperation and by taking advantage of complementary needs and skills among the four.

There was also hope that any non-traditional security cooperation might foster positive habits of cooperation among the four on more difficult issues. For such cooperation to exert an overall impact on the broader security climate, however, leaders in the cooperating countries have to be willing to showcase whatever successes emerge from their cooperative efforts with neighboring countries. Such publicity will help to diminish prevailing negative images, just as those images are often moderated by first-hand travel or direct experiences with foreigners.

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APPENDIX
THE NATIONAL COMMITTEE ON AMERICAN FOREIGN POLICY (NCAFP)
IN COOPERATION WITH THE KOREA SOCIETY
PRESENT

A U.S. – CHINA – REPUBLIC OF KOREA – JAPAN QUADRILATERAL
CONFERENCE

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