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# **NORTHEAST ASIA POLICY UNDER GEORGE W. BUSH: DOCTRINE IN SEARCH OF POLICY**

*Mel Gurtov* \*

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## I. Introduction

The Bush Doctrine stipulates that unilateral action, regime change, and preemptive attack now define U.S. foreign policy. In Northeast Asia, however, the doctrine has run up against unpleasant realities that ought to be causing—but so far do not appear to have caused—its abandonment. Instead, the doctrine's new realism, embellished with strong ideological predispositions, has made the United States odd man out in Asia. This paper critically examines the Bush administration's policy toward the People's Republic of China (PRC; China), the Korean peninsula, and Japan. It concludes that, contrary to the view of some observers (Rose 2005) and notwithstanding tactical modifications, the Bush Doctrine remains the essential underpinning of U.S. policy in George W. Bush's second administration.

Northeast Asia's present and future look very different to Chinese, North Korean, Japanese, and U.S. officials. Reconciling those perspectives will have great bearing on prospects for security in the region, but there must also exist the will to reconcile them. Domestic political factors come into play here—the roles, for example, of bureaucratic self-interest, party alignments, interpretations of history, and ideological preconceptions. In the Bush administration, these factors have lent themselves to a world view that is unprecedentedly exceptionalist and hegemonic in its approach to national security affairs. The predominant influence behind this worldview is the group of so-called neoconservatives—people such as Vice President Dick Cheney, Secretary of Defense Donald Rumsfeld, and former deputy secretary of defense Paul Wolfowitz who held national security posts in the Ronald Reagan and George H. W. Bush administrations. Even so-called realists around the president, such as Condoleezza Rice, seem to subscribe to the neoconservatives' belief that the “unipolar moment” for the United States has arrived.<sup>1</sup>

The Bush Doctrine dubs this new realism a “distinctly American internationalism.” The doctrine asserts that the United States should take advantage of its enormous and unchallengeable power in world affairs to shape the new century (White House 2002; Gurtov 2006; Ikenberry 2002; Hendrickson 2002). The 9/11 attacks have provided the opportunity to do so. No state can effectively challenge the United States militarily; nor is there any other viable political or economic model that can pose an alternative to the American way of life. In sustaining superiority, Bush administration officials have said, the use and threat to use force—preventively if necessary—must have wider application than in the past; however, diplomacy—multilateral diplomacy in particular—must operate on a shorter leash than previously. A sustained military buildup, with new capabilities to match wider missions, is crucial to implementing the new

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1. This was true for Rice well before the 11 September 2001 attacks; see Rice (2000).

doctrine. The help and advice of allies, friendly countries, and international organizations of all kinds are useful only so long as they serve U.S. purposes; otherwise, they are dispensable. International law and cooperation must serve the larger objective of restoring order in the international system.

If the above summary has merit, its implications for U.S. policy in Northeast Asia are considerable. First, it means that the Pentagon plays a key role in shaping national security policy. Second, neoconservative domination of the policy process means that intelligence findings run a considerable risk of being politicized to serve ideological predispositions. Third, the overall thrust of U.S. policy is to seek to impose U.S. will by relying on military preponderance to send a message to rival states, with scant appreciation for their security concerns and historical sensitivities. But, as seems to have happened in the second George W. Bush administration, such predilections may be undercut by other developments: the high costs of counterinsurgency in Iraq and the accompanying revelations of illegalities and false pretenses in that war, the resistance to U.S. policy toward the Democratic People's Republic of Korea (DPRK; North Korea) by China and the Republic of Korea (ROK; South Korea), the lack of palatable military options for dealing with North Korea, and the huge costs of rebuilding U.S. cities struck by hurricanes.

## **II. The United States and China**

If we reduce the international politics of Northeast Asia to its essentials, two things stand out: U.S.-China relations are the key to long-term regional stability, and the China-Japan rivalry is the most serious threat to regional security. These two understandings guide the following assessment of Bush administration policies.

Over many decades one thing has become clear about U.S.-China relations: when they are good, issues in dispute, including Taiwan, become easier to handle or can be safely put on the back burner. Today, the tendency in official U.S. circles is to characterize the U.S.-China relationship in positive terms, as the best it has been in a long time. Bush has not taken up the cudgel of the neoconservatives in labeling China a strategic opponent. He relied on State Department diplomacy in the early days of the administration to peacefully resolve the Hainan air collision incident. Apologies were made, and the downed airmen and their aircraft were returned. The 9/11 attacks led to a declared partnership on combating terrorism. Bush has also rejected moves toward outright independence by Taiwan's leadership and has called for continued dialogue between China and Taiwan. And he has been as strong a proponent as Clinton for doing business with China—although the Unocal case may have shown the Chinese the limits of free-market competition.

But this positive overall assessment seems superficial. Even prominent Chinese analysts who share it are quick to cite numerous troubling aspects of the relationship.<sup>2</sup> The “partnership” with China in the war on terror is paper-thin; it simply gives each country more room to deal with its “terrorists” in its own way, without finger-pointing.<sup>3</sup> Beyond that, from the Chinese perspective, U.S. policy under Bush is at best inconsistent and at worst provocative. On Taiwan, the latest PRC defense white paper, *China’s National Defense in 2004*, calls the situation there “grim” because of President Chen Shui-bian’s moves toward independence as well as U.S. arms sales to Taiwan, which have been limited by Taiwan’s willingness to pay the bill of roughly \$15 billion. Even though Bush has opposed Taiwanese independence and stopped short of selling Taiwan some advanced weapons systems, he has consistently upheld a U.S. obligation to defend Taiwan, and he has enlisted Japan in that security interest. Japan’s joint announcement with the United States in 2005 of a shared concern about Taiwan’s security (which China seemingly answered with an antiseccession law aimed at deterring any further Taiwanese moves toward formal independence) was apparently one of the issues that sparked an angry anti-Japanese Internet campaign in China (Kahn 2005b). Bush and Prime Minister Koizumi Junichiro have, in the Chinese view, become partners in a new containment strategy that includes research on theater missile defense, loosened restrictions on Japanese deployments and armaments, and encouragement of constitutional revision. Despite U.S. pronouncements about nuclear nonproliferation, the United States has yet to protest occasional high-level talk in Japan about plutonium and developing nuclear weapons.

Nor is that all, from Beijing’s perspective. The Bush administration’s stubborn resistance (at least until mid-2005) to genuine negotiations with North Korea has been criticized a number of times by PRC officials. U.S. criticism of China’s abuse of human rights and insistence on China’s need to democratize remain prickly issues. Pentagon analyses of China’s military modernization, as well as comments by senior U.S. officials such as Secretary of Defense Donald Rumsfeld and Secretary of State Condoleezza Rice,<sup>4</sup>

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2. See, for example, Wang Jisi (2005, 46), who writes: “The Chinese-U.S. relationship remains beset by more profound differences than any other bilateral relationship between major powers in the world today.”

3. A recent demonstration of the divergent views of the United States and China on the subject of terrorism came in the aftermath of the abortive revolt in May 2005 against the Karimov government in Uzbekistan. Whereas the U.S. State Department raised questions about the killing of hundreds of protesters by Uzbek security forces, China announced its unequivocal support of the regime for quelling what it termed a terrorist attack against the state.

4. On 19 April 2005, the *New York Times* reported that Rice, in an interview, opined that China’s military “looks outsized for its regional interests”; on 21 November 2005, the *New York Times* noted that Rumsfeld, lecturing in China, said “advances in China’s strategic strike capability raise questions” about its intentions and lack of transparency.

have contributed to the China-threat school of thought.<sup>5</sup> Frequent comments in the U.S. press and Congress that characterize China's rise as militarily and economically threatening as well as calls by neoconservatives for even closer U.S.-Japan strategic alignment to deflect "China's great power ambitions" (Blumenthal 2005) all get China's attention. U.S. bases in Central Asia,<sup>6</sup> U.S. efforts to restart a military relationship with India, U.S. pressure on the European Union to delay lifting its arms embargo with China, and China's unwillingness to make a major currency revaluation to reduce its huge trade surplus with the United States add to the list of issues that are undermining the relationship.

Thus, even though Chinese analyses of relations with the United States also point to areas of common interest—keeping Japanese nationalism under wraps, U.S. investment in China, U.S. technology transfers, environmental protection, and nontraditional threats such as drug trafficking and terrorism—that ground is steadily eroding under the Bush Doctrine. High-level U.S. assurances that the United States wants China to be a "responsible stakeholder" in the international system indicate a desire for a cooperative relationship, but the language suggests it is China that needs to play by the rules.<sup>7</sup>

From Beijing's viewpoint, dealing with the United States may be summarized this way: In sharp contrast with the Maoist past, we in China have subscribed to global (capitalist) economic rules, signed on to numerous international arms control arrangements, made numerous overtures to Taiwan's political leaders and opposition parties, and played the good citizen in relation with East Asian neighbors. Yet the

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5. For example, the July 2005 official U.S. Department of Defense assessment of China for Congress (OSD 2005), while by no means alarmist in tone or content, does reflect on the "ambitious" character of China's military modernization. The assessment posits a \$90 billion Chinese military budget (three times larger than China's official military budget) and concludes: "In the future, as China's military power grows, China's leaders may be tempted to resort to force or coercion more quickly to press diplomatic advantage, advance security interests, or resolve disputes." Yet much of the same report underscores the disadvantages, political and military, that China would have in moving in a more aggressive direction. By contrast, a RAND Corporation study prepared for the U.S. Air Force (Crane et al. 2005, 133 and 205) offers a far more nuanced evaluation of the Chinese military and points to domestic budgetary and other constraints (such as tax revenues) on high levels of military spending. That study posits an annual military budget (including all off-budget expenditures) in the range of \$31–\$38 billion.

6. In the view of Chinese strategic analysts, Central Asia "has long been regarded by the United States as the pivot in realizing its global strategy," and the establishment of U.S. bases there is a "historic breakthrough" for U.S. policymakers (Xie 2002). The six-party Shanghai Cooperation Organization, to which China belongs, issued a statement in July 2005 that called upon the United States to withdraw from bases in Uzbekistan and Kyrgyzstan. Subsequent U.S. relations with the Uzbekistan government soured over that government's repression of demonstrations, and the Uzbek government served notice on Washington to leave its air base in Uzbekistan in six months.

7. See the speeches by Deputy Secretary of State Robert Zoellick at the U.S. embassy in Beijing on 2 August 2005 ([www.state.gov/s/d/rem/50498.htm](http://www.state.gov/s/d/rem/50498.htm)) and at the National Committee on U.S.-China Relations in New York City on 21 September 2005 ([www.state.gov/s/d/rem/53682.htm](http://www.state.gov/s/d/rem/53682.htm)).

United States, as the sole superpower, always demands more—for example, “delivering” North Korea—and continues to interfere on the Taiwan issue. Moreover, powerful forces in the United States now express the kind of alarm about China’s “peaceful rise” that they did about China’s support of Communist insurgencies. One would think that it is China, not the United States, that has the world’s largest military budget by far, the most powerful weapons, a huge inventory of nuclear weapons, and far-flung military bases and access points. Is the United States really interested in accommodation and peaceful competition, or is it interested in containing China? A well-known Singapore analyst (Mahbubani 2005, 49) has recently been moved to conclude that “the United States is doing more to destabilize China than any other power.”

The actual relationship with China is increasingly competitive and is so regarded by a growing group of America watchers in China. To these Chinese observers, and to the PRC military, the Bush policy amounts to containment of China by a hegemonic United States that continues to regard China as a junior partner on international issues (*PLA Daily* 2004; Saalman and Yuan 2004, 9–13). China is not about to confront the United States directly, however. Instead, China is taking advantage of the U.S. preoccupation with events elsewhere—the Middle East, specifically the military and diplomatic costs of the its Middle East involvement, and its hard-line North Korea policy—to build, mend, and strengthen fences with its neighbors, particularly with a view to promoting China’s rapid economic development. Toward the same end, China is also engaged in a worldwide search for energy and mineral resources that sometimes (as with Canada and Venezuela) takes it to the U.S. doorstep. PRC leaders apparently are seeking to demonstrate that China is a good Asian and global citizen, a nonthreatening rising power, and a reliable partner in multilateral as well as bilateral undertakings. China may be taking the place of Japan as the “lead goose” in East Asia’s next stage of development. The contrast with the Bush Doctrine’s emphasis on unilateral action and preventive war, and the growing U.S. security partnership with Japan, is left for other governments to draw.

U.S.-China differences bode ill not just for the reduction of tensions on the Korean peninsula and a resolution of the North Korean nuclear situation. The potential for moving beyond the six-party talks to the creation of a multilateral security mechanism for Northeast Asia cannot be fulfilled without China-U.S. cooperation. Clearly, the United States and China share some interests with respect to Korea’s security: no testing, production, or stationing of nuclear weapons; no chaos; no refugee crisis; and perhaps no immediate Korean unification. But they also have vastly different views on the legitimacy of the North Korean system and on North Korea’s right to have a nuclear energy program. Some Chinese analysts (Shen 2005) believe North Korea has a right to have nuclear weapons, although Chinese analysts and PRC leaders continue to question U.S. intelligence on the status of the North’s nuclear weapons. Beijing has consistently urged direct U.S.-DPRK dialogue apart from the six-party

talks to resolve the nuclear standoff; Beijing has suggested that calling DPRK leaders nasty names and seeking sanctions against North Korea are no substitutes for diplomacy.<sup>8</sup> Chinese observers suspect that the real objective of U.S. policy is regime change in North Korea—some South Korean and U.S. analysts share this suspicion, which is supported by press reports of U.S. attack plans<sup>9</sup>—and they therefore contend that the key to resolving the nuclear crisis is building trust between Washington and Pyongyang.<sup>10</sup>

### III. The United States and Japan

The fundamental problem in the Sino-Japanese relationship, and one that necessarily poses challenges for U.S. policy, may be that, although China's rise has thrust nationalism to the fore in Beijing's policymaking, Japan's quest for normality has resurrected the question of the way in which nationalism can be expressed. Chinese nationalism today means a new assertiveness, born of pride of economic achievement, that inevitably finds expression in territorial issues (starting with Taiwan unification), international status (a place at the table on all major global issues and recognition of China as a regional leader), and heightened sensitivity to slights (thus, rejection of "bullying" by the United States). Those elements of nationalism are likely to clash with Japanese nationalism, which goes beyond displaying national pride—flying the flag and singing the national anthem—to avoiding excessive apologizing for the past, seeking constitutional revision, standing up for territorial interests, and undertaking collective-security obligations. Thus, Japanese nationalism calls for a permanent UN Security Council seat and therefore revision of Article 9 of Japan's constitution, Chinese nationalism calls for denying Japan that seat and insisting that Japan dissociate itself from its militarist past.

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8. A PRC Ministry of Foreign Affairs spokesperson rejected sanctions in May 2005: "The normal trade flow [between China and the DPRK] should not be linked up with the nuclear issue. We oppose trying to address the [nuclear] problem through strong-arm tactics"(Kahn and Sanger 2005).

9. For example, on 2 May 2005 the online edition of the *Korea Times*, published in Seoul, reported on the existence of a contingency plan, code-named 5029-05, being formulated by the ROK-U.S. Combined Forces Command to be used in the event of political instability in North Korea. It was reported that the National Security Council of the ROK told the Combined Forces Command in January 2005 that the plan should not be made operational because the ROK National Security Council feared undermining the ROK policy toward the North.

10. Recent evidence of China's rejection of the Bush approach to North Korea came in mid-May 2005, following U.S. intelligence reports of a possible DPRK underground nuclear test and the DPRK's announcement that it had begun reprocessing spent fuel from its 8,000 rods at the Yongbyon nuclear facility. A senior PRC Foreign Ministry official took the unusual step of telling reporters that "a basic reason for the unsuccessful [diplomatic] effort lies in the lack of cooperation from the U.S. side." The official urged the Bush administration to put aside its derisive name-calling of Kim Jong-il, rejected U.S. suggestions of economic sanctions against North Korea, and said there was "no solid evidence" of a forthcoming North Korean test explosion (Kahn 2005a).

Of course, this clash of nationalisms is taking place even while China has become Japan's principal trade partner and chief place for relocating important Japanese industries. Summit-level diplomacy between the two countries has been absent for many years, however; and even Koizumi's very direct apology, made on the 60th anniversary of the end of World War II and with China and Korea clearly in mind,<sup>11</sup> is unlikely to be sufficient to change negative perceptions of Japan in those two countries. The apology notwithstanding, Koizumi's China policy mimics Bush's: strategic containment, economic enmeshment.

How is the Bush administration responding to the China-Japan rivalry? Surely this rivalry is the most important development, from the standpoint of regional security, now taking place in East Asia. It is a Chinese objective to keep Japan contained, and it is a Japanese objective to keep China's rise contained. The Bush administration has made crystal clear that, rhetoric about friendship with China notwithstanding, the security alliance with Japan outweighs China's importance. Chinese analysts of course find this development deeply disturbing (Wang 2005, 44–45). Japan is the number one supporter in Asia of the Bush Doctrine. Under Koizumi, moreover, it seems to be using that support as cover for expanding the boundaries of Japanese security concerns and in ways that seriously intensify China-Japan friction. Between devoting resources to moderating this growing rift between China and Japan and taking sides in it, the Bush administration seems to have (with awareness or not) chosen the latter course. In the evolving U.S.-Japan-China triangle, the bent of U.S. policy evidently is to promote Koizumi's version of "normal nation" at the cost of antagonizing China. Perhaps the Bush administration believes that Beijing has no alternative but to accept a reemerging Japan, given China's perceived dependence on U.S. and Japanese trade and investment; or perhaps Bush is relying on voices within the PRC leadership that thus far have cautioned, much as Deng Xiaoping did, against confronting the United States during the period of economic restructuring. Whatever the reason, Bush's choice to lean toward Japan—a choice long favored by the U.S. neoconservatives—risks antagonizing China in ways that spell trouble for the United States and Japan.

#### **IV. The United States and the Korean Peninsula**

##### ***The North Korea Dilemma***

North Korea seeks security assurances from the United States and long-term aid from both the United States and Japan—in short, acceptance of its legitimacy and

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11. The 16 August 2005 *New York Times* reported that Koizumi's statement acknowledged the "tremendous damage and pain" caused by Japan's imperialism; he said: "Humbly acknowledging such facts of history, I once again reflect most deeply and offer apologies from my heart." But his repeated visits to the Yasukuni Shrine and the portrayal of Japan in school textbooks have yet to be resolved; see *Yomiuri Shimbun* (2005).

normalization of relations. These objectives are hardly different from those that shaped North Korean policy during the 1993–94 nuclear crisis. Constantly pushing the envelope with sudden diplomatic moves and threatening gestures, such as the 10 February 2005 announcement that it indeed possessed nuclear weapons and was withdrawing from the six-party talks, seems to be Pyongyang's way of drawing attention to its demands. But the Bush administration rejects the idea of making another package deal with Pyongyang, arguing that formal security assurances and any other "rewards" to North Korea depend on its abandonment of its nuclear program. Before the fourth round of the six-party talks, the Bush administration's most serious proposal to North Korea on denuclearization, submitted on 24 June 2004 in Beijing, required that Pyongyang pledge to "dismantle all of its nuclear programs," after which the United States would provide "provisional" security assurances and "study" North Korea's energy requirements. Nonreciprocal proposals of that kind virtually assure rejection (Harrison et al. 2004, 9).

According to Victor Cha (2002), who is now in charge of Asian affairs in the Bush administration's National Security Council, "hawk engagement" best characterizes the administration's strategy. This approach is "based on the idea that engagement [as practiced by President Bill Clinton and the South Korean leaders] lays the groundwork for punitive action." Bush made clear at the outset of his administration when Kim Dae-jung visited Washington that he believes the North Koreans are untrustworthy, that another package deal with them is fruitless, and that pursuit of an engagement strategy makes no sense. Thus, although the Bush administration advertises hawk engagement as a multilateral approach to dealing with North Korea, administration policy is in fact unilateralist in design and intent: it seeks to line up China and South Korea, as well as Russia and Japan, behind a confrontational policy that U.S. officials have broadly publicized and might already have been pursued were it not for the quagmire in Iraq<sup>12</sup> and the lack of acceptable military options in North Korea.<sup>13</sup>

Another major constraint is China's and South Korea's opposition to unilateral action. A recent example came in May 2005, soon after U.S. intelligence reports circulated that North Korea might be preparing an underground nuclear test. Pyongyang raised the ante yet again by announcing that it had indeed removed 8,000 spent fuel rods

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12. For example, in an online *New York Times* article on 13 December 2002, a "senior [U.S.] administration official" was quoted in 2002 as saying that "one rogue-state crisis at a time" was Bush's preferred approach, suggesting that North Korea might be next on his hit list after Iraq was subdued. That also seems to have been the view of administration hard-liners in the afterglow of seeming victory in Iraq (Sanger 2003).

13. A war simulation conducted in 2005 by the *Atlantic* magazine with several former U.S. foreign policy officials of various political stripes essentially supported the conclusion that there is no acceptable military solution to the "North Korean problem," unless one regards a minimum of 100,000 dead in Seoul as acceptable. Diplomacy remains the far more preferable (and urgently needed) option (Stossel 2005).

from its Yongbyon reactor. The Bush administration's warnings to North Korea and proposals for sanctions failed to jar either the Chinese or the South Koreans from their position that only direct talks between Pyongyang and Washington would improve the situation. The PRC government was particularly emphatic in putting the onus on Washington, not only for refusing to talk one-on-one with North Korea but also for continuing its name-calling ("tyrant," said Bush; "an outpost of tyranny," said Rice) of Kim Jong-il. (The South Korean government echoed China's criticism.) A top Chinese Foreign Ministry official took the unusual step of telling journalists that sanctions are not a workable or acceptable step and that China would not support using food or oil deliveries to North Korea as a weapon against it. In fact, the official declared there was "no solid evidence" of a forthcoming North Korean nuclear test, and, indeed, there wasn't (Kahn 2005a).<sup>14</sup>

"The fundamental difference between Clinton's near-success in resolving the issues and Bush's stalemate," one scholar (Suh 2004) has recently written, "lies not in Bush's unwillingness to talk or in his proposal to expand the agenda for talks but in his refusal to end the enmity between the two nations." North Korean spokespersons have suggested many times that the DPRK would be willing to make major concessions, including giving up nuclear weapons, if the United States agreed to respect its sovereignty and provided other incentives.<sup>15</sup> Kim Jong-il reportedly told a high-level South Korean delegation in mid-2005 that, in return for U.S. security assurances and "respect," North Korea would return to the six-party talks, give up its nuclear weapons, rejoin the Nuclear Non-Proliferation Treaty (NPT), and reopen the country to nuclear inspectors.<sup>16</sup> Within a month Pyongyang announced its return to the talks. The online edition of the *New York Times* on 9 July 2005 provided a Reuters report of the official DPRK news agency statement that "[t]he US side clarified its official stand to recognize the DPRK as a sovereign state, not to invade it, and hold bilateral talks within the framework of the six-party talks." These concessions, for which the Bush administration deserves credit, indeed brought the DPRK back to the table and led to a number of direct talks with U.S. officials. The Statement of Principles that all six

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14. A North Korean nuclear test is unlikely because of the consequences, which include providing a pretext for U.S. attack and an argument for South Korea, Japan, and even Taiwan to go nuclear.

15. See, for example, Li Gun (2003), deputy director general of the DPRK Ministry of Foreign Affairs, whose main message was: "If the US fundamentally changes its hostile policy toward North Korea we could also give up our nuclear deterrent." The specific steps he said the United States must take were a nonaggression guarantee, diplomatic relations, and noninterference with North Korea's economic relations with other countries. See also Pan (2004).

16. See the 17 June 2005 online edition of the *Korea Times* (Seoul) and Onishi (2005). The Associated Press reported on 12 July 2005 that the official North Korean newspaper, *Rodong Sinmun*, stated in a commentary: "If the U.S. nuclear threat to [North Korea] is removed and its hostile policy to 'bring down the system' of the latter is withdrawn, not a single nuclear weapon will be needed."

parties agreed to on 13 September 2005 contains important points about verifiable North Korean denuclearization, Pyongyang's return to the NPT and the 1992 joint denuclearization declaration with South Korea, U.S. recognition of the DPRK's sovereignty and a mutual desire to normalize relations, and the DPRK's need of energy assistance (NAPSNet 2005a). But implementation of these and other principles are very much a matter of sequencing, details, and U.S. politics, not to mention mutual trust, starting with the matter of North Korea's insistence on having a civilian nuclear energy program.<sup>17</sup>

The South Korean government is convinced that sustained official and nongovernmental contact with North Korea as well as economic incentives will pave the way for a nuclear agreement with the North. When the fourth session of the six-party talks began in July 2005, the Seoul government sweetened the pot with a promise to ship energy to North Korea. Agreement was also reached on South Korean mining operations in the DPRK in exchange for food and raw materials for North Korean factories.<sup>18</sup> Hyundai's industrial development at Kaesong continues to expand, and its 13 factories (soon to be 17) employ approximately 4,000 North Korean workers. In fact, approximately 17 percent of South Korea–North Korea trade, which is rapidly increasing, was accounted for by Hyundai's Kaesong operations in the first half of 2005 (NAPSNet 2005b).<sup>19</sup>

It seems eminently sensible to support initiatives such as these, whether or not the latest round of the six-party talks results in substantive undertakings. The initiatives are occurring at the same time that farmers' markets are expanding in the North, consumerism is growing, foreign investment opportunities are slowly emerging, and reliable monitoring of food distribution by aid organizations such as the World Food Program is again possible. People who have lived and worked in the DPRK (Beck and Reader 2005) report that North Korea is actually in a critical time of transition in which major economic changes are under way, but that the leadership "is still obstructing deeper change," fearful of "reforming the institutions needed to manage and sustain a market." If North Korea is actually prepared to give up its nuclear weapons programs,

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17. On the issue of trust, see a transcript of an interview with Christopher Hill, the lead U.S. negotiator at the six-party talks (*Online Newshour* 2005). Almost immediately after the Statement of Principles appeared, Secretary of State Rice made clear that North Korea would have to dismantle its nuclear weapons program before there could be any discussion of nuclear energy assistance (Sanger 2005).

18. Both the electricity offer (approximately 2 million kilowatts annually), which would replace the 1994 deal to provide North Korea with two light-water reactors, and the mining agreement were reported in the online edition of the *Korea Times* on 12 July 2005. The September 2005 Statement of Principles reiterates South Korea's offer of electricity.

19. According to company publications, Hyundai currently has 13 factories in the Kaesong complex and plans on building at least 4 more.

the United States and the rest of the international community, including financial agencies and nongovernmental organizations, ought to be ready to step in with training and needs assessments because the opportunities are at hand. The use of force or threat, which could have the most disastrous consequences for all Koreans, does not seem warranted under any conceivable circumstances.

### ***Looming Tensions with South Korea***

Of immediate concern is the deterioration of U.S. relations with South Korea, which has occurred in large part because of President Bush's North Korea policies. Ever since Kim Dae-jung's visit to Washington in 2001, when President Bush made clear his distaste for both the Sunshine Policy and Kim Jong-il, the United States and the ROK have been far apart on how to deal with the DPRK. A unilateralist U.S. policy simply has little toleration for a policy of strategic engagement such as Kim had inaugurated. Even though the South Korean government has deployed troops to Iraq despite public disapproval and despite U.S. plans for reducing its military presence in South Korea, President Roh Moo-hyun has distanced his country from the United States.<sup>20</sup> President Roh has announced a policy of "cooperative and independent national defense" and more recently talked of South Korea serving as a "balancer" in Northeast Asia (NAPSNet 2005c). Anti-Americanism is on the rise in South Korea, especially among young people, and clearly one reason is that, not for the first time, the United States is regarded as the main obstacle to Korean reconciliation (Shin and Chang 2004).

Observers close to the Roh administration have clarified that President Roh's objective is not to weaken the alliance with the United States—South Korea has become the number one customer in East Asia for U.S. arms (Grimmett 2004)—but to implement a more South Korea-centered foreign policy. Rather than continue to be squeezed between China and Japan, the ROK can serve as a bridge between the two. South Korea is depicted as uniquely situated to promote peaceful international relationships in Northeast Asia and "to create a new order based on regional cooperation and integration through open-minded diplomacy." But the United States will undermine prospects for a new order if it "launches a policy of containment based on a belief that China poses a threat, or seeks to push through regime change in North Korea, while encouraging Japan to emerge as a military power. . . ." (Moon 2005). Thus, in Roh's

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20. During 2004, the Pentagon decided to redeploy approximately 4,000 troops from South Korea to Iraq. Roh, who had been criticized by many supporters for agreeing to send a similar number of South Korean troops there, kept his promise. He ordered approximately 3,000 soldiers to Iraq in mid-2004, adding to the roughly 400 already there. In return, so it seems, an agreement was reached to redeploy U.S. forces based at Yongsan in central Seoul—an extremely valuable piece of real estate—to less visible bases to the south and to keep the number of U.S. forces at the existing level.

conceptualization of regional cooperation, greater policymaking independence is designed to avoid alignment with the United States in containing China or North Korea on the one hand and to develop a stronger East Asian identity (including broader ties with ASEAN) on the other (Chan 2004).

In keeping with this new thinking in Seoul—which, it should be noted, has been hammered by conservative politicians and the press for its supposed naïvete and anti-alliance implications—South Korea has moved increasingly close to China. Within South Korean government circles as well as the public at large, the conviction is growing that China—not the United States—should be the focus of South Korean diplomacy.<sup>21</sup> Although that view is unlikely to become policy anytime soon, the economics of the ROK-PRC relationship must accord good relations with China high priority in South Korea. As is well known, China is now South Korea's leading export market (and a major source of trade surplus) and the principal recipient of Korea's foreign direct investment. China has also surpassed the United States as a place for Koreans to visit and study. And President Roh has vowed to step up military exchanges with China.

Besides Korean peninsula security, Seoul and Beijing share a number of views on Northeast Asian security matters—enough so that the Hu Jintao–Roh Moo-hyun summit in July 2003 upgraded the PRC-ROK relationship to a “comprehensive cooperative partnership.” Apart from their obvious concern to avoid war and denuclearize the Korean peninsula, both governments believe in the virtues of multilateral engagement with each other (most importantly in ASEAN + 3) and with North Korea. Both are concerned that certain U.S. tactics directed at North Korea, such as the Proliferation Security Initiative, theater missile defense, and economic sanctions, are needlessly provocative. Both governments believe that North Korea has the right to have a civilian nuclear power program (South Korea, after all, has 20 nuclear power plants) so long as it is under the NPT. Both governments have been critical of disparaging U.S. remarks directed at the North Korean leadership, and their criticisms probably helped account for President Bush's reference to “Mr. Kim” and Secretary of State Rice's acceptance of North Korea's legitimacy. Beijing and Seoul also have advised Washington that a policy of engagement, including direct dialogue with Pyongyang, is the wisest course of action. Their views of Japan also have much in common: concern about rising Japanese nationalism and what continuing aggravation of the North Korea situation might mean for future Japanese security policy, demands for more apologetic attitudes from top Tokyo officials on past grievances, and opposition to a permanent Japanese seat on the UN Security Council.

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21. These views correlate with age: younger people tend to be more critical of the United States and more accepting of China, as befits the “20–30 generation” that is usually considered the backbone of President Roh and his Uri Party; see Chung(2005, 6–7).

This coincidence of views, combined with South Korea's growing economic dependence on China, has important implications for both China and the United States. First, it strengthens the common cause of China and South Korea in dealing with Japan over issues such as textbook revision, Prime Minister Koizumi's visits to the Yasukuni Shrine, disputed territory, and Taiwan. Second, it edges South Korea toward a foreign policy that would remove U.S. bases and forces from the ROK and, in the event of Korean unification, eliminate Korea as a security danger to China. These possibilities, it should be emphasized, are not necessarily adverse to U.S. security concerns in Northeast Asia, but when interpreted through the lens of the Bush Doctrine, they would have to count as unacceptable and even alarming. In all, such developments lend further weight to the argument here that the character of U.S.-China relations is central to all other relationships in Northeast Asia.

## **V. Issue of Leadership**

It is common to hear talk about the indispensability of U.S. leadership in Asia. Without the United States, it is said, Asia is rudderless: it has no other government that can be entrusted to lead, no other country to provide strategic reassurance. Only the United States can be the "hub in the wheel," as former secretary of state James A. Baker once wrote. But leadership involves other capabilities and qualities, such as creative diplomacy that adapts to changing circumstances, uses careful language, and promotes nonviolent dispute resolution. Increasingly, it also involves redefining security. The post-Cold War world has changed enormously in Northeast Asia as it has everywhere else, but the United States seems out of step with most of the region's governments when it comes to identifying the urgent issues. For Washington the main challenges are proliferation of weapons of mass destruction, international terrorism, and China's strategic ambitions. For East Asia, however, the challenges are quite different: solving the contradictions between economic growth and widening poverty and social divisions, achieving political stability, finding new energy sources, and competing with Chinese economic power (Sathirathai 2005). In contrast with Washington's attempts to enlist partners in a grand struggle against implacable enemies—the "war on terror" and the "axis of evil"—East Asian countries are grappling with governance issues and are busy developing multilateral venues for promoting trade and political dialog. The contrast could not be more striking: the Bush administration falls back on Cold War-era bilateral alliances and balance-of-power politics and is a minor player in regional multilateral activities while East Asia, with China increasingly the driving force, intensifies integration via free trade areas such as the China-ASEAN Free Trade Area; dialog groups such as ASEAN + 3 and, in December 2005, an East Asian summit; and commitment to stronger regionalist initiatives such as China's signing of the ASEAN Treaty of Amity and Cooperation as well as a Joint Declaration on Strategic Partnership for Peace and Prosperity (Ba 2005).

Leadership can also mean consistency in principles and policies, such as by displaying generosity of spirit and resources for promoting economic and social justice within and between countries. George Perkovich (2005) has recently argued, for example, that Bush's emphasis on freedom slights its counterpart, justice, and thus weakens the appeal of the United States in the Middle East and elsewhere. Justice—within societies, between states, in the behavior of the United States abroad, and in the global economy—is the real litmus test of U.S. foreign policy. The reputation of the United States has been badly tarnished, and not just in the Middle East, by the war in Iraq. A war that the UN secretary-general declared illegal, that has witnessed prisoner abuses that violate international as well as domestic U.S. law, and that is tainted by occupation of an oil-rich country surely makes an impression around Asia. Moreover, U.S. stinginess with economic assistance, its refusal to do away with agricultural subsidies that undercut export opportunities for the poorest countries, and its penchant for arming repressive regimes and military establishments (such as in Indonesia, Pakistan, Uzbekistan, and Kazakhstan) reflect priorities that contradict or undermine professed democratic ideals.

The U.S. approach to China and North Korea could benefit from these different notions of leadership. China requires a U.S. policy based on genuine partnership, and North Korea requires a policy of sustained engagement. Both countries require an emphasis in U.S. diplomacy on trust building to correct antagonistic perceptions. But trust building can happen only when shared interests are the focus of policymaking. And there are shared interests. Cooperation with China on military transparency, the legal system, energy, water, and sustainable development could be vital to the country's future economic and even political stability. Signing a peace treaty with North Korea, denuclearizing the Korean peninsula, improving the North's energy and food supplies, and opening the country to greater contact with others are interests that the United States shares with North Korea and China.

Avoiding the prospect of hostile U.S.-China relations, and within that a hostile China-Japan relationship, is central to international security in Northeast Asia. The post-Cold War opportunities for dramatic improvements in the region are being frittered away, mainly by a U.S. administration that has used the 9/11 attacks to seek to establish a new world order based on unquestioned U.S. preeminence. The six-party talks are one such opportunity. If the principles of the six-party talks are translated into practice, the talks can be the liftoff for broader security arrangements.<sup>22</sup> China seems willing to support some kind of multilateral security forum that convenes regularly on Northeast

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22. The 2005 Statement of Principles states: "The six parties agreed to explore ways and means for promoting security cooperation in northeast Asia." For an extended discussion of a regional security mechanism, see Van Ness (2004).

Asian security issues, in the manner of the ASEAN Regional Forum (Wang 2005, 45). A forum would provide space for informal as well as formal discussion of a number of issues that are now dealt with haphazardly or not at all, such as security in the Taiwan Strait, territorial disputes, energy cooperation, a nuclear weapons–free zone centered on Korea, conventional arms limitations, and even Korean unification.

The United States could take additional steps that would demonstrate leadership in new ways:

- Sign and support ratification of the Kyoto Protocol on climate change, the Comprehensive Test Ban Treaty, the Rome Treaty that established the International Criminal Court, and other international agreements;
- Seek mutual or sequenced arms reductions with the PRC on the Taiwan issue;
- Promote North Korean economic development through support of its membership in all Asian regional groups and programs of nongovernmental organizations in the DPRK;
- Lower the rhetoric on the “China threat”;
- Sign the ASEAN Treaty of Amity and Cooperation;
- Clarify limited support of Japan’s normal-nation aspirations; and
- Support a Northeast Asia energy consortium.

What is the alternative to new patterns of leadership and new approaches to security? If current trends continue, we might face a whole new order in Northeast Asia in which a quasi alliance between China and South Korea stands opposed to tighter U.S.-Japan security relations. That circumstance is surely not conducive to a peaceful and stable future. It would amount to a new Cold War in which the United States and China compete for Asian leadership. Such a competition would probably lead to an arms race and to the United States siding with Japan’s right wing in abandoning the restraints of Article 9. If Japan commits to becoming a major military power, pressure would mount for it to develop nuclear weapons and set off the very chain reaction of acquisitions and modernization of nuclear weapons that is not in any country’s best interest. Such a dismal future should provide the incentive for vigorous multilateral cooperation in which the United States is a key player.

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