

SMART TALK ON
“Northeast Asian Security Challenge”

January 19th, 2011
Venue: A8-202, Mingwen Building
SHUPL, Shanghai

Co-organized by
East Asia Institute
Shanghai Center for RimPac Strategic and International Studies
Center for Strategic and International Studies, Shanghai University of Political
Science and Law (SHUPL)

PROGRAM

13:30~13:40 Opening Remarks

Moderator: Guo Xuetao
Chaesung Chun, EAI & Seoul National University
Wang Wei, SHUPL

Session I. China's Future Role in Northeast Asia

Moderator: Guo Xuetao

13:40~14:25 Speakers (15 minutes each)

Seungjoo Lee, Chung-Ang University
Chaesung Chun, EAI & Seoul National University
Zhao Shunzhang, Shanghai Center for RimPac Strategic and
International Studies

14:25~14:45 Discussants (10 minutes each)

Yu Jianjun, China Executive Leadership Academy, Pudong
Tan Tan, SHUPL

14:45~15:45 Free Discussion

15:45~15:55 Coffee Break

Session II. North Korea's Transition and China-North Korea Relations

Moderator: Chaesung Chun

15:55~16:40 Speakers (15 minutes each)

Jaewoo Choo, Kyung Hee University
Hu Jian, Shanghai Academy of Social Sciences
Wu Chunsi, Shanghai Institutes for International Studies

16:40~17:00 Discussants (10 minutes each)

Zhu Jiejun, Shanghai International Studies University
Seungjoo Lee, Chung-Ang University

17:00~18:00 Free Discussion

THE RISE OF CHINA AND THE FUTURE OF NORTHEAST ASIA

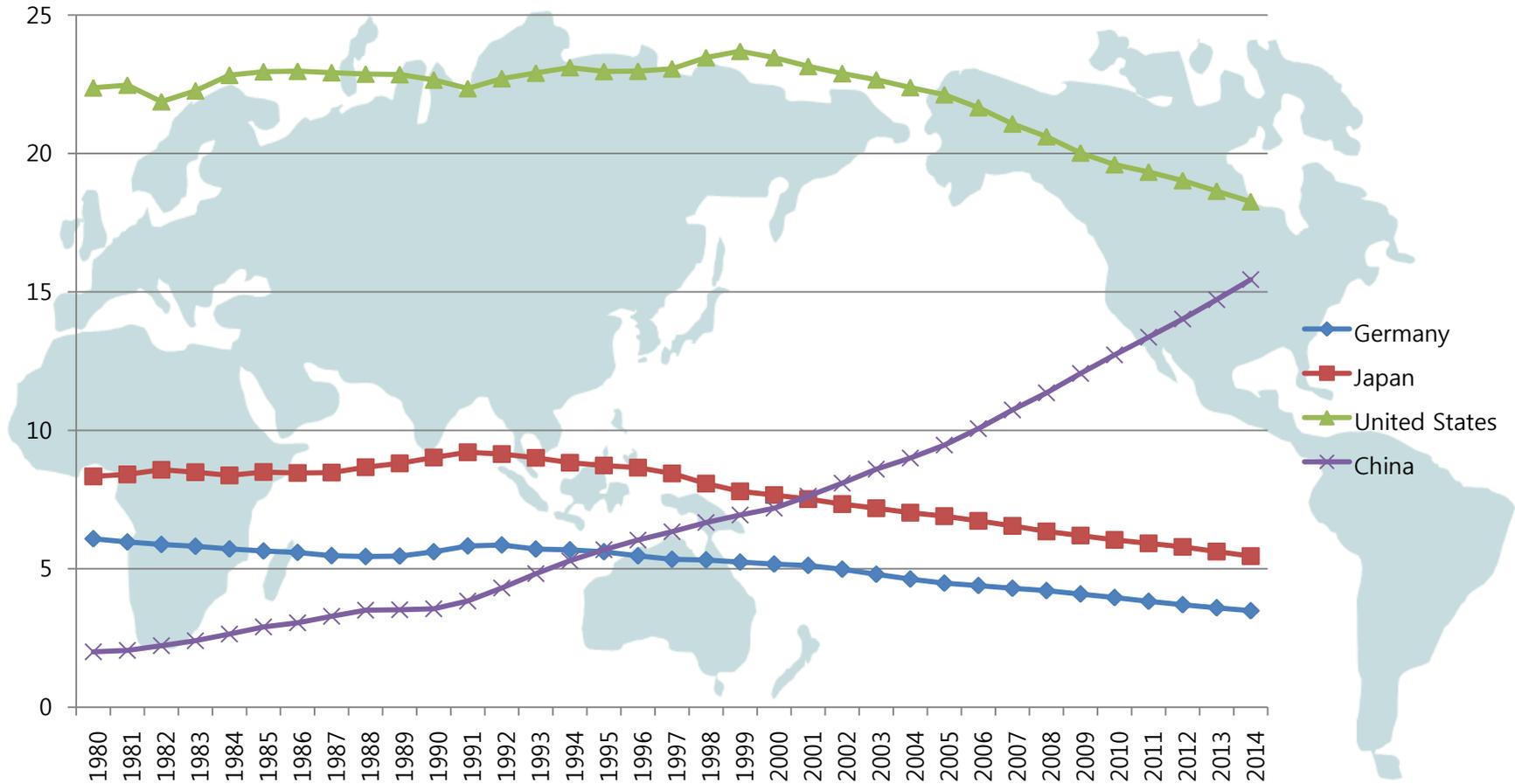
EAI Smart Talks in Shanghai
January 2011

Seungjoo Lee
Dept. of Political Science
Chung-Ang University

Structural Shift and Global Governance in 2010

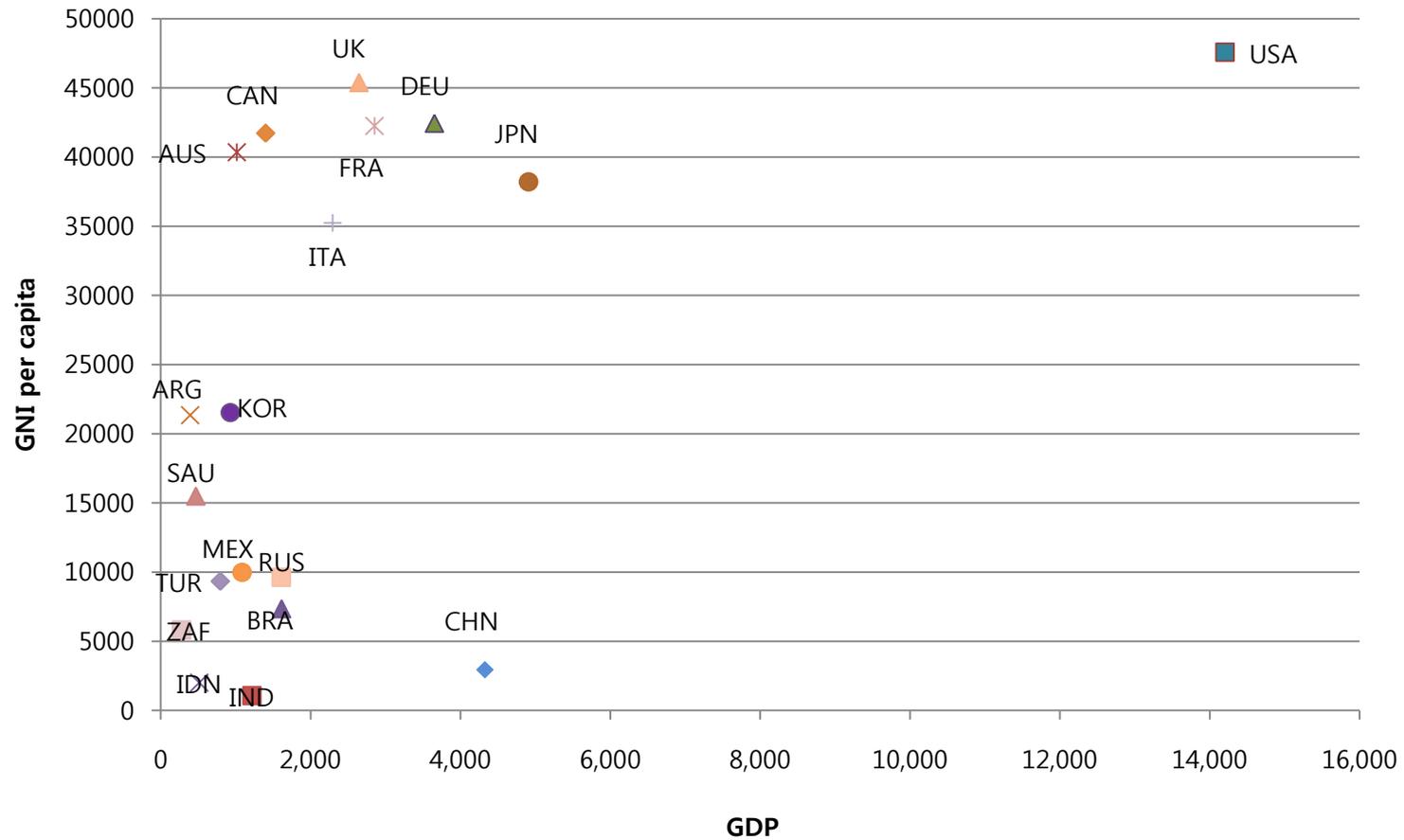
- China
 - The 2nd largest economy in the world
 - However, the 2nd largest-yet-still-developing economy
 - 1985: \$17,010 (the US) vs. \$10,850 (Japan)
 - 2008: \$47,580 (the US) vs. \$2,940 (China)
 - New Challenge
 - How to incorporate China into global governance?
- 

Structural Shift in Economic Power



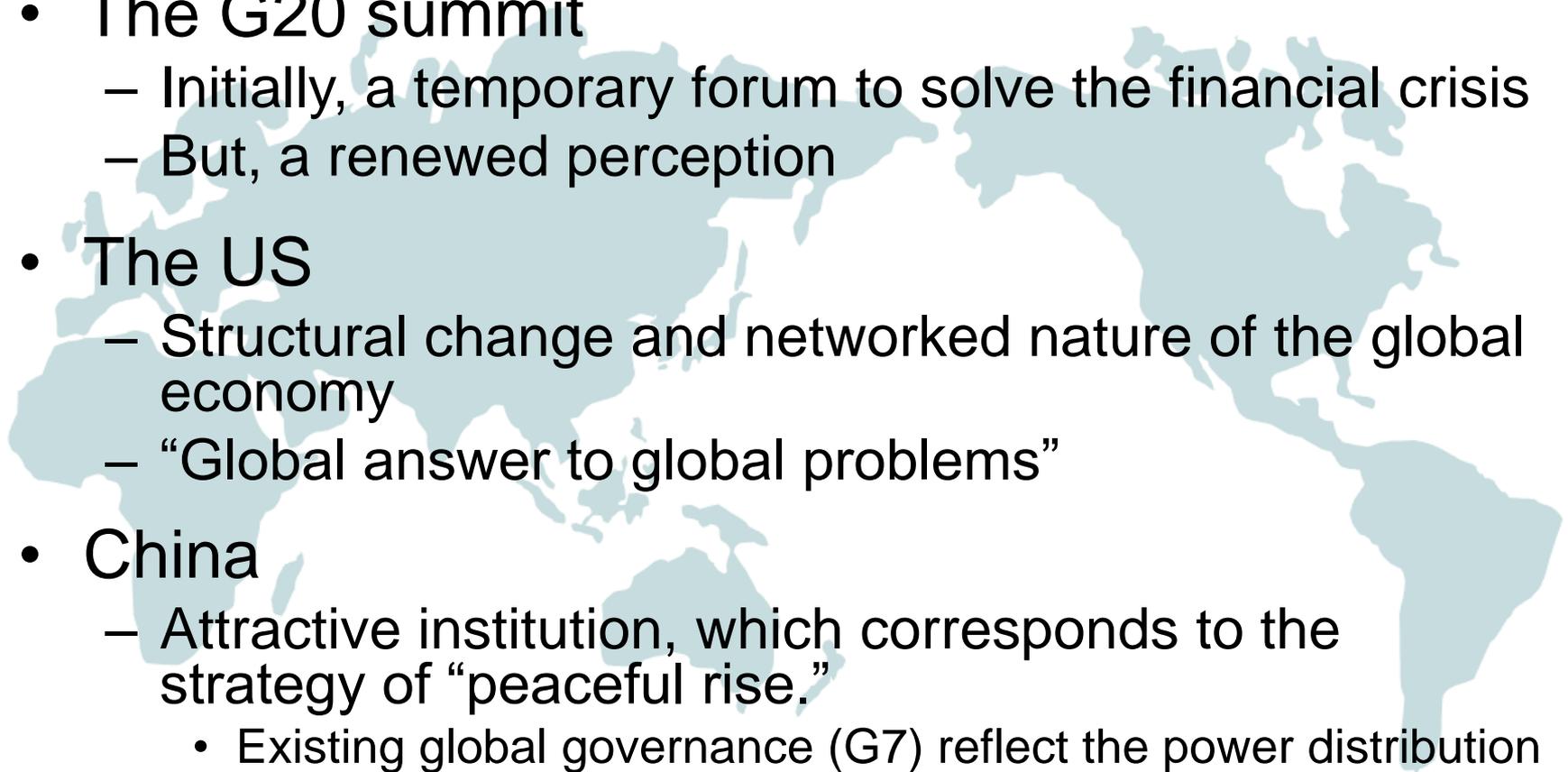
Source: IMF, World Economic Outlook Database.

The US vs. China



Source: World Bank

Toward a New Global Governance: The Rise of the G20 Summit

- The G20 summit
 - Initially, a temporary forum to solve the financial crisis
 - But, a renewed perception
 - The US
 - Structural change and networked nature of the global economy
 - “Global answer to global problems”
 - China
 - Attractive institution, which corresponds to the strategy of “peaceful rise.”
 - Existing global governance (G7) reflect the power distribution of the past.
 - But, the arrival of the G2 era is premature.
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The Politics of the G20

- China emerged as a major actor in global governance through the G-20.
 - Cooperation and conflicts
 - Cooperation
 - Developing countries incorporated into global governance
 - Reform of existing international organizations
 - Potential sources of conflicts
 - Global imbalance, exchange rates, protectionism, numerical target, etc.
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Multilateral Cooperation in East Asia

- Competing visions for multilateral cooperation
 - The US: multilayered approach
 - Strengthen traditional alliance: South Korea, Japan, Australia
 - Emphasis on India
 - APEC (economic issues) and East Asian Summit (security issues)
 - China
 - Preference for ASEAN+3
 - Regional policy centered around economic issues
 - Japan
 - EAS, TPP
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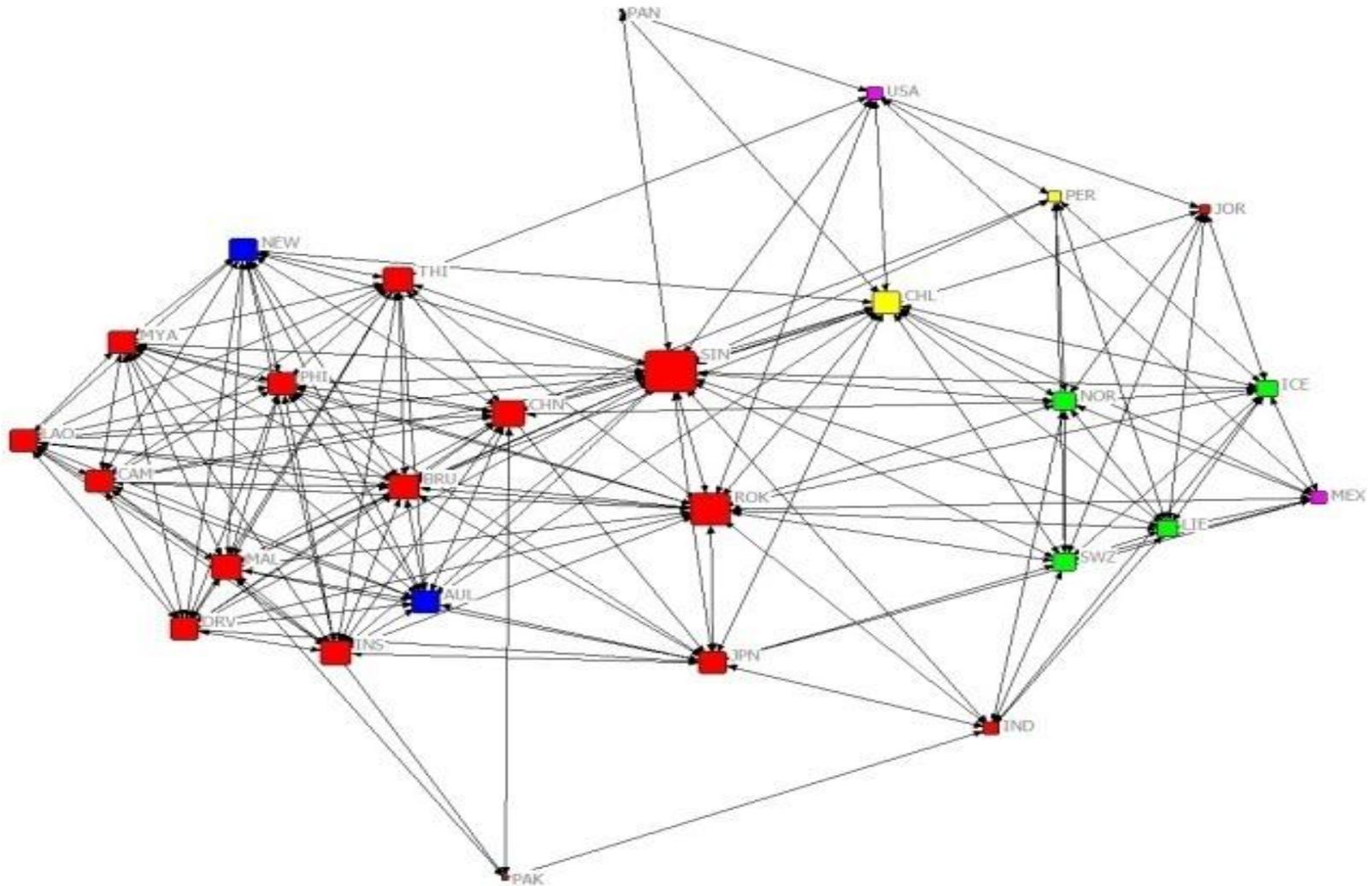
Multilateral Cooperation in East Asia

- CMIM into effect (2010/3)
 - “To enhance regional capacity to safeguard against downside risks and challenges in the global economy”
 - Progress within the APT framework
 - Strategic rivalry between China and Japan
 - Equal dividends and voting power
 - Agreed to establish monitoring body (AMRO) in Singapore

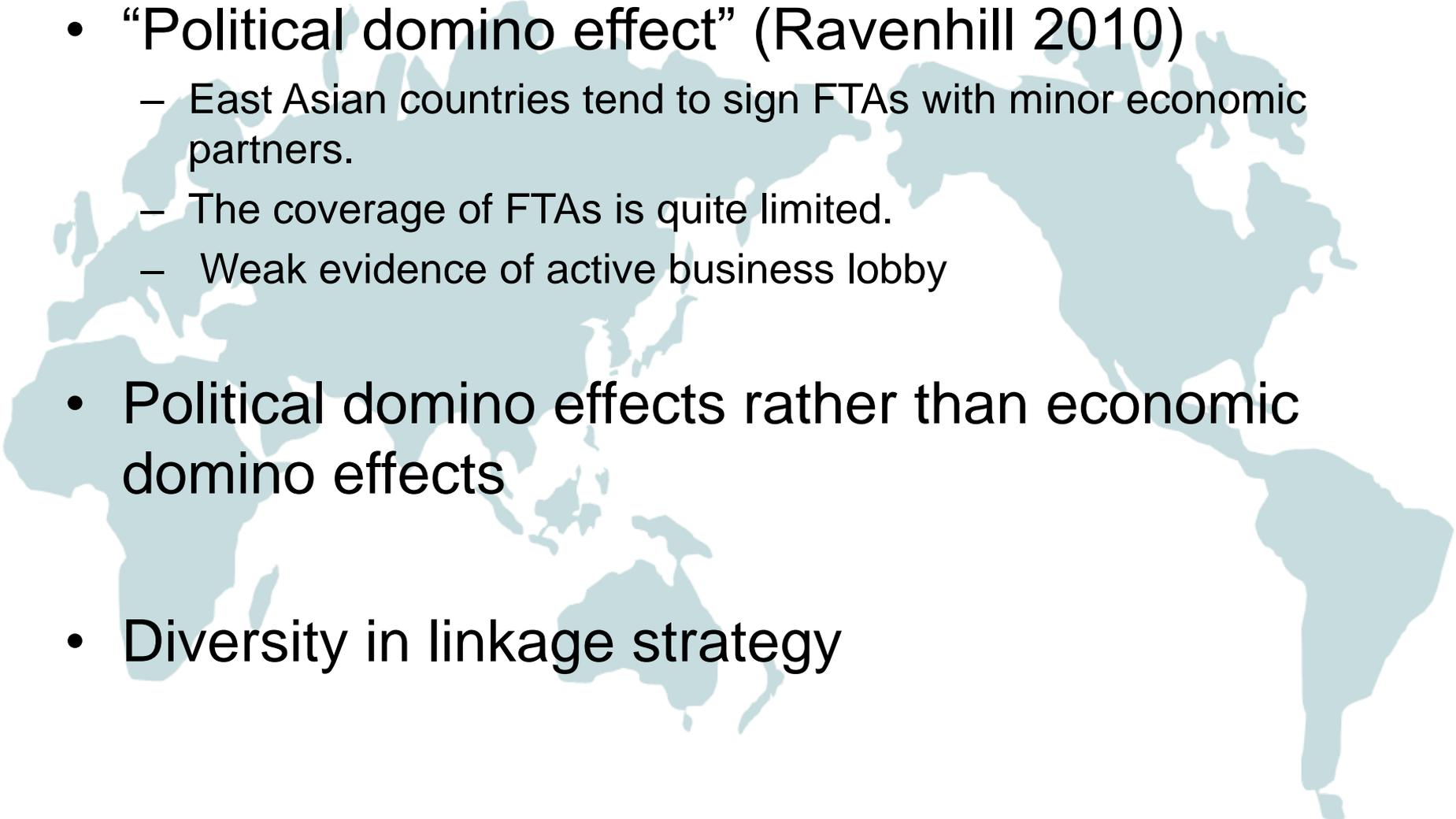
FTAs and Economy-Security Nexus

- The relationship between economy and security has been complex in East Asia.
 - Economic growth under the US security umbrella
 - The hub-and-spoke bilateral security system has retarded the formal institutionalization of East Asian regionalism
 - Drastic move to FTAs
 - 79 deals in Asia (January 2010).
 - 33 FTAs currently in effect and 5 FTAs signed.
 - Large economies: extensively engaged in multiple FTAs
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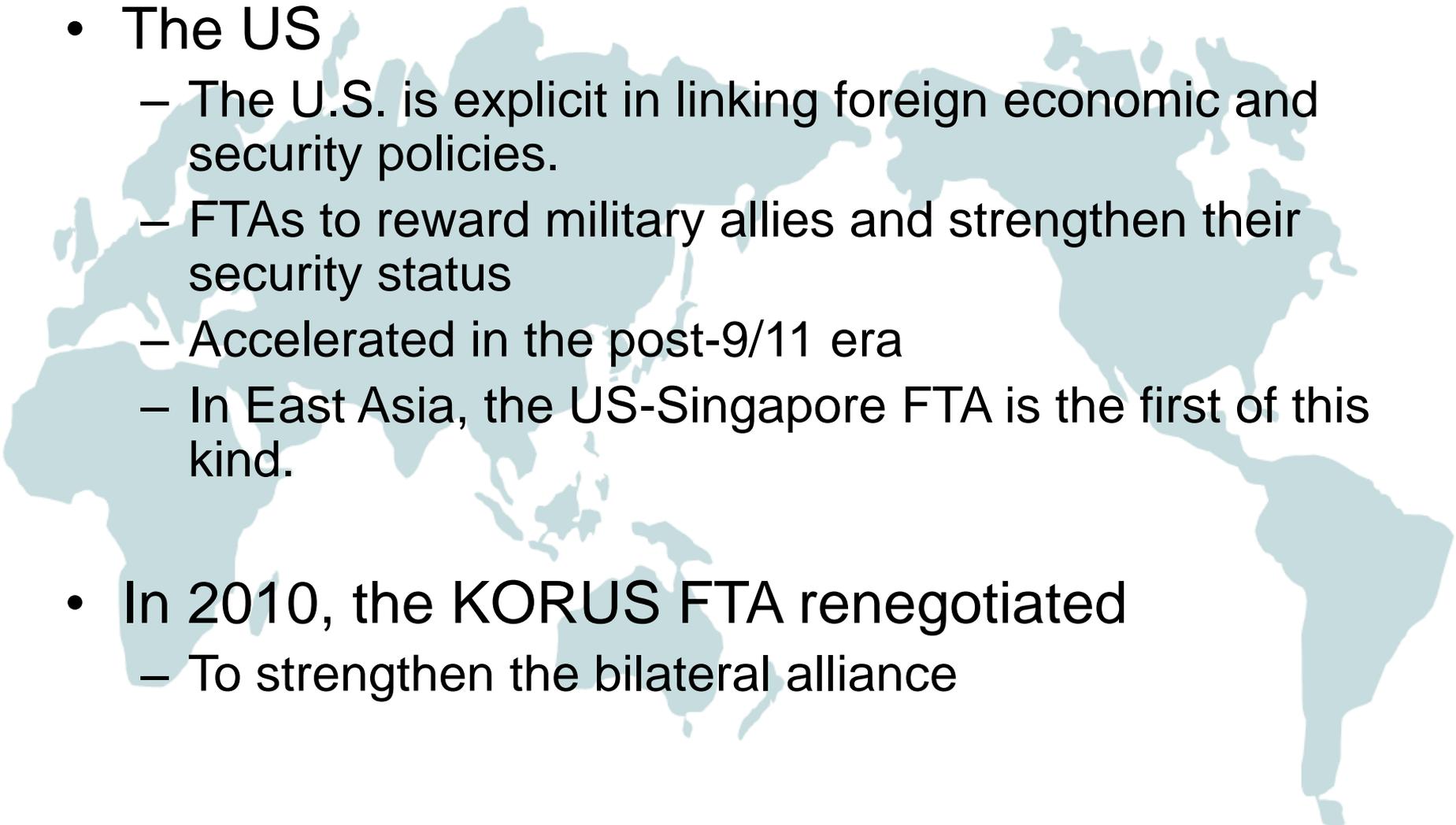
FTA Networks in East Asia (2010)



FTAs and Economy-Security Nexus

- “Political domino effect” (Ravenhill 2010)
 - East Asian countries tend to sign FTAs with minor economic partners.
 - The coverage of FTAs is quite limited.
 - Weak evidence of active business lobby
 - Political domino effects rather than economic domino effects
 - Diversity in linkage strategy
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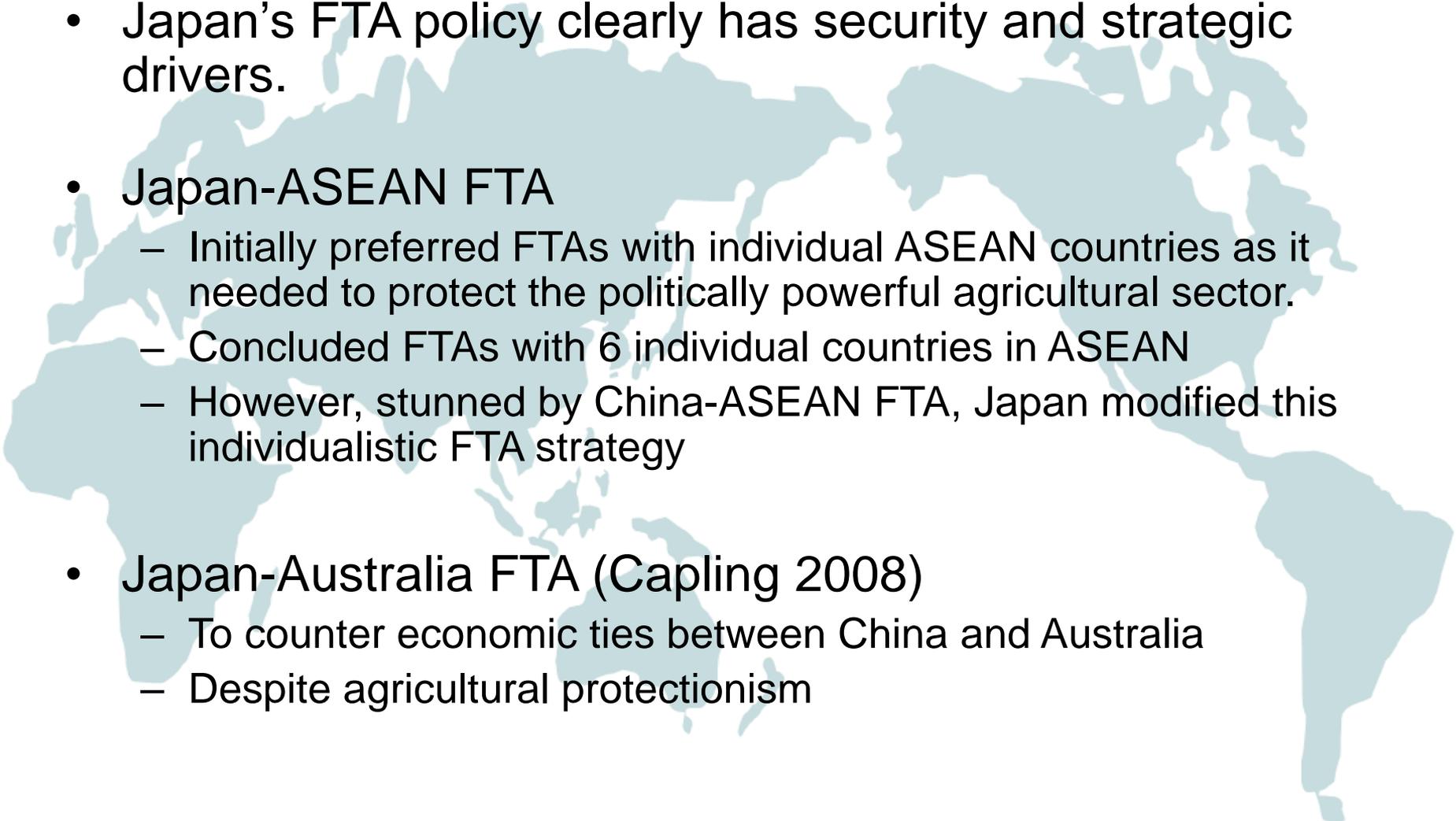
The US: Securitization of FTAs

- The US
 - The U.S. is explicit in linking foreign economic and security policies.
 - FTAs to reward military allies and strengthen their security status
 - Accelerated in the post-9/11 era
 - In East Asia, the US-Singapore FTA is the first of this kind.
 - In 2010, the KORUS FTA renegotiated
 - To strengthen the bilateral alliance
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China: Preemptive Linkage

- Preemptive linkage between FTAs and security
 - China-ASEAN FTA
 - To deepen diplomatic and political ties as well as to secure deep integration
 - To assure Southeast Asian countries of its peaceful rise
 - Economic structure: complementary in the long term
 - To prevent them from aligning with the US efforts to contain China
 - Preemptive move to take an initiative for regional leadership
 - China-Taiwan ECFA (2010/9)
 - Continued efforts for Korea-China FTA

Japan: Reactive Linkage Strategy

- Japan's FTA policy clearly has security and strategic drivers.
 - Japan-ASEAN FTA
 - Initially preferred FTAs with individual ASEAN countries as it needed to protect the politically powerful agricultural sector.
 - Concluded FTAs with 6 individual countries in ASEAN
 - However, stunned by China-ASEAN FTA, Japan modified this individualistic FTA strategy
 - Japan-Australia FTA (Capling 2008)
 - To counter economic ties between China and Australia
 - Despite agricultural protectionism
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South Korea's Linkage Strategy

- FTAs as an effective means for realizing its strategic goals
 - The Lee Myung-Bak government strengthened this linkage strategy.
 - In 2008, the Lee government presented the KORUS FTA bill to the National Assembly, despite domestic opposition.
 - In 2010, the Lee government agreed to re-negotiate the KORUS FTA to modify the initial agreement.
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The KORUS FTA (1)

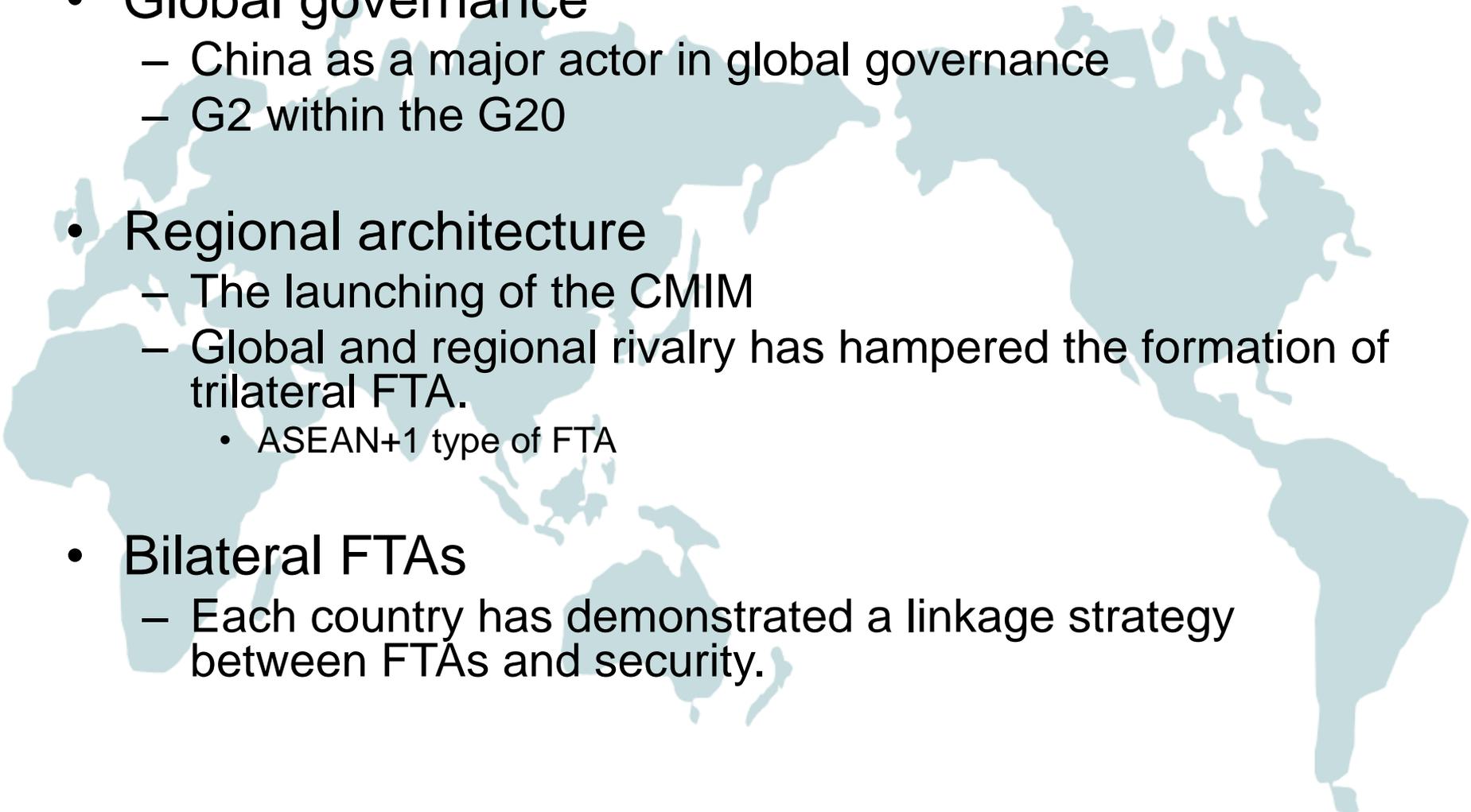
- To boost SK's economic and strategic position in East Asia
 - “China is surging. South Korea is trapped between China and Japan, and thus we need to address this undesirable situation sooner rather than later.”
 - To alter the economic relations between South Korea, China, and Japan



The KORUS FTA (2)

- To improve economic ties but also overall diplomatic and security relations between Seoul and Washington
 - Different views about the Sunshine policy, which strained the robustness of the alliance
 - To remedy the deteriorating bilateral relationship by re-negotiating an FTA with the US
- To prevent North Korea's nuclear adventurism
 - Pacifying effects on the Korean peninsula as well as East Asia

The Politics of Institutional Balancing

- Global governance
 - China as a major actor in global governance
 - G2 within the G20
 - Regional architecture
 - The launching of the CMIM
 - Global and regional rivalry has hampered the formation of trilateral FTA.
 - ASEAN+1 type of FTA
 - Bilateral FTAs
 - Each country has demonstrated a linkage strategy between FTAs and security.
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Changing global/regional order, and South Korea's East Asian Policy

Smart Talk in Shanghai

2011, Jan. 19

Chaesung Chun
(East Asia Institute,
Dep. Of International Relations,
Seoul National University)

Trends in International Relations

- Economic crisis and new type of governance of G20: norm-based, multilateral, institutional balancing
- The rise of network politics; G-x politics and bridging roles of middle powers
- Changing power fields: soft power, knowledge power, and network power
- 2008 Economic crisis and the Decline of American hegemony and G2 discourse
- New results for Asian power transition

Concepts for new East Asian international politics

- The right concept for desirable East Asian regional order: community, regionalism, or network?
- Various ways to East Asian multilateral network: interest-based, power-based, or identity-based
- Networks among Bilateralism, mini-regionalism, regionalism, and globalism
- Institutional/soft balancing
- Markets of institutional designs
- Cooperation in transnational issues, cultivation of culture of cooperation, and spill-over to modern issue areas

Theoretical Frameworks for East Asian International Relations

- The nature of current security architecture of East Asia
- East Asian Case: Different levels of problems with multiple organizing principles: 1. modern-transitional; 2. modern; 3. post-modern transitional
 - 1) Nationalism, identity politics, memory politics
 - 2) Balance of power, power transition
 - 3) Proliferation of international institutions, transnational agendas and problems, new types of global governance
- How to transform the fundamental architecture of security relations rather than to solve each issue

Possible Scenarios for Future of the region, in 2030? and South Korea

1. American hegemonic system, still
 2. the new bipolar confrontation between the US and China
 3. multipolar competition among powers
 4. Regional sino-hegemony
 5. bigemonic cooperation between the US and China
 6. Regional, multilateral security cooperation, or NEAU(Northeast Asian Union)?
- ⊙ **For the worst case**, South Korea should escape the scenario 2(the new bipolar confrontation between the US and China)
 - ⊙ **For the best case**, South Korea wants to contribute to the process of *security paradigm transformation* to the scenario 6(Regional, multilateral security cooperation)...but HOW?

Future South Korean strategy

- Status as a global/regional middle power; regional transformer of organizing principle for regional cooperation
- A member of global governance; G20
- Universal global norm
- Agenda-setter, convener, cooperation facilitator, bridging roles in complex networks
- Regional multilateralism/US-China relationship
- East Asia complex network beyond balance of power logic

Questions regarding China-US Relations in 2010 and after

- Changing Sino-American bilateral relations in subsequent events:
- Copenhagen Climate Conference, US arms sales to Taiwan, Exchange Rate debate, Chonan Incident and following ROK-US military exercise, South China Sea issue, China-Japan maritime territorial dispute, post-crisis economic management, and forward-deployed US diplomacy...
- And now the Summit meeting in 2011

Questions regarding China-US Relations in 2010 and after

- Radical change into Sino-American strategic mistrust and tension, following these incidents
- Are these changes based on two countries' predetermined strategic calculations(post-crisis or late-crisis strategies)?
- Or just event-oriented state of affairs making each side overly defensive?

Questions regarding China-US Relations in 2010 and after

- Theoretically, bilateral security dilemma in the phase of power transition
- strategic mistrust still in the need of mutual cooperation
- misperception or incomplete information about the other party's intention which are expressed in offensive behaviors
- lack of trust and consensus about the process and the end-state of power transition in the 21st century

New Factors in Future hegemonic rivalry

- Determinants of hegemonic rivalry will be defined only partly by traditional power elements such as military power and economic power.
- New elements such as soft power, network power, and international legitimacy will be increasingly important in the future.

New Factors in Future hegemonic rivalry

- New American hegemonic strategy
- initially for rebuilding and leaving US hegemony resilient
- then *Pax Americana* III based on soft/network power and new growth industry such as environmental business
- New type of empire; Soft, network empire supported by global civil society.
- New means of forward deployed diplomacy; alliance, multilateralism, and public diplomacy.

New Factors in Future hegemonic rivalry

- China's difficulty
- too strong checks and balances against rising Chinese hard power by existing hegemonic blocks
- only few rooms and leeway to search for a new leadership
- tacit encirclement of American networks implicating balancing strategy against China

New Factors in Future hegemonic rivalry

- Possible China's future strategy
- issue-specific balancing vis-à-vis the US, especially against US balancing strategies
- building post-American leadership and architecture(true Beijing consensus)
- by advancing an alternative leadership first complementing, then overcoming defects of American leadership, China will be prove itself as the future leader captivating the minds of global civil society

China to South Koreans

- Responsible great power
- Regional leader
- Global norm and soft power
- Cooperation for long-term strategy regarding the future of North Korea, and peace system of the Korean Peninsula

South Korea between/with China and the US

- Impossibility of returning to the Cold War type bipolar confrontation and mode of thinking
- South Korea's role helping the transformation of East Asian international political organizing principle from Hobbesian anarchy to networked regional governance
- complex network diplomacy

South Korea between/with China and the US

- South Korea's policy means; complex ROK-US alliance in transforming the global and regional military architecture (inside critic of US hegemonic strategy)
- strategic cooperation with China, Japan, and Russia, global middle power diplomacy (putting global values into regional governance)
- knowledge diplomacy in dealing with Korean Peninsula problems such as North Korean nuclear issue and future governance of Korea
- middle power network diplomacy helping to solve the US-China security dilemma.

New security issues for China and South Korea

- New roles and strategy for rising China in security area; new soft and network leadership of China in the 21st century
- Regional multilateral security cooperation
- Non-traditional security issues, e.g., economic security, environments, terrorism...
- Strategic dialogue and cooperation for the future of North Korea
- Short-terms issues(e.g., *Chonan / Yonpyeong incidents*) and China-South Korea cooperation
- Roles of civil society and NGOs for bilateral security cooperation

China’s Future Role in Northeast Asia

Illustration: Since the Korean Peninsula became the focus of world’s attention last year, this article places particular emphasis on the peninsula situation with regard to the security of Northeast Asia.

1. China’s role in Northeast Asia is conditioned by US policy of “return to Asia” and Japan’s strategy of “ocean power”

China sincerely hopes Northeast Asia become a zone of stability and prosperity, and supports the peaceful unification of Korean Peninsula. Yet, China’s efforts are conditioned by the US and Japan.

First, China’s sincere hope and due role are conditioned by US policy of “return to Asia” .

The core of President Obama’s foreign strategy is still to maintain US hegemony (or leadership, as the Americans say) in the world. Though China does not recognize any world leadership, it will not challenge US hegemony. China has always attached the importance to stabilize and develop Sino-US relations, and has clearly stated it does not oppose US presence in the Asian Pacific region, rather it welcomes the US to play an active and constructive role in the region. Since the post-cold war, the US has decided to adopt the dual policy of engagement plus hedging toward China, and the Obama administration has inherited such dual policy, Asia thus has become the core area of such a policy.

Doubtlessly, the US remains the only super power in the world as well as the No.1 strong power in the Asian Pacific region in terms of economic power, military strength, science and technology, and cultural influence. Nevertheless, on the other hand, it is also true that stricken hard by the financial crisis, the US national power has relatively waned, its influence in the Asian Pacific region decreased, and its hegemony wavered. Right now, the US economic recovery is still weak and its economy has not yet got rid of the risk of a double dip. Internationally, albeit the US has retreated from Iraq gradually with great efforts, it still remains bogged down in Afghanistan. All the circumstances combined cannot but seriously affect the U.S. strategic position in the Asian Pacific. Looking back, it’s quite clear that before the Cheonan vessel incident, the US, to some extent, had sunk itself into a strategic predicament in the Asian Pacific. Relocation of US bases in Japan has been boycotted and just run into a stone wall by the Japanese people and yet no definite way for the solution. This fact indicates that the Japanese people do not welcome the long-term presence of US forces in Japan after the World War II ended for 65 years and the Cold War ended for 20 years. ROK has as well not welcomed the long-term presence of US army and right before the Cheonan vessel incident, it had already reached an agreement with the US over the entire withdrawal of US forces from ROK within two years. The initiative raised by the Japanese former Hatoyama cabinet to establish an East Asian Community with the exclusion of the US, the strengthening of the dialogue mechanism among China, Japan and ROK, and the establishment of China-ASEAN Free Trade Area, have stimulated US sense of crisis that it would be excluded from the booming economic circle of East Asia. This is the background that the US has announced its “return to Asia”, and Obama has laid a

high profile claim to be “America’s first Pacific President”. Frequent visits to Asia by US State Secretary Hillary Clinton and President Obama’s visits to Indonesia, India and Japan last November have demonstrated the US implementation of the policy of “return to Asia”. No doubt that they are partly directed at China; however, in the final analysis, the main purpose of these activities is to cement its hegemony in the Asian Pacific region.

Last December, US three war craft carriers joined forces in Northeast Asia sea area. This is unusual and unprecedented military movement. So, in a certain sense, the US policy of “return to Asia” is the outside factor of unstably in Northeast Asia

Now, let’s see Japan. Japan has long been ranked the world’s second largest economy, and played a leading role in the economic development in the Asian Pacific. Based on being an economic power, Japan has been ambitious to become a political power, an international power and a permanent member of UN Security Council. Japan’s sea territory expansion strategy also shows that Japan wants to become an ocean power by drawing support from the United States of America, therefore, Japan’s maritime territory expansion strategy happens to coincide with US policy of “return to Asia”.

Japan’s land territory is 378,000 square kilometers, its coast line is very long. After the Cold War, some Japanese strategists drew on the lesson of history that it’s of no viability for Japan, a maritime country, to stretch out hands to the continent, rather, it can only define and develop itself as a maritime power. In 1994 when the "United Nations Convention on the Law of the Sea" which confirms the concept of “Exclusive Economic Zone (EEZ)” and redefines the concept of “continental shelf” entered into force, Japan thinks it’s a good opportunity to expand its “maritime territory”. According to some Japanese strategists, Japan’s “maritime territory” could be 4,470,000 square kilometers, more than 10 times over its land territory. Therefore, the LDP administrations successively formulated a variety of strategies, decrees and plans. After taking office, the DPJ inherits the whole LDP ocean strategy. The clash over Diaoyu Islands last year, disputes and frictions over islands with ROK and Russia all can be ascribed to the maritime territory expansion strategy adopted by Japan in recent years.

We understand that US and Japan do not hope a new war breaking out in the Korean Peninsula, but they do hope to maintain a stalemate in that area, because, stability and unification of the peninsula do not meet their maximum interests.

2. China’s role in Korean Peninsula is limited, but indispensable

China has to maintain its traditional and friendly relations with the isolated and radical DPRK while playing a role as a responsible major power. Opposing provocation and maintaining stability is the starting point of China’s peninsula policy. China’s long-term aim is to help DPRK to transit from a country with politics in command to a country concentrating on economic development and people’s life by the reform and opening up policy, to become a normal country of the world society, and finally, to realize peaceful unification.

The key question of the present peninsula situation is soft landing or hard landing. China hopes soft landing which means to hold dialogue and negotiations, not to make a show of force or resort to arms. China wants relaxation, dialogue and peace, opposes tension, confrontation and war.

China's influence and controllability upon DPRK is limited. It is entirely different from US influence and controllability upon Japan and ROK. DPRK worships super powers, thinks highly of US and Russia, hopes to hold dialogue directly with US and sign US-DPRK peace treaty, thus to enter the international community by US help. It is possible that China might make slight readjustment to its DPRK policy, but cannot over exert pressure on DPRK, otherwise, the result would just run counter to its desire. It is impossible that China would be hostile to DPRK like US, Japan and ROK, because it would neither accord with the regional interests, nor China's own interests.

China's future role in Northeast Asia especially in the Korean Peninsula includes:
To coordinate with US, ROK, Japan and other countries concerned to promote stability and prosperity of Northeast Asia;

To oppose military alliance, military threat and military means to solve disputes, adhere to the principle of solving disputes by dialogue and negotiations;

To maintain sequence of DPRK policies and make timely and necessary vernier readjustment. The main points could be:

Respecting DPRK state sovereignty and territorial integrity, no interference with its internal affairs;

Encouraging DPRK to reform and open up, change its closed-door policy and isolated position, and return to the international community;

Helping DPRK to develop economy, improve people's life, create favourable conditions for the unification of the Peninsula. If DPRK economy collapses, the whole peninsula never will there be days of peace;

Persisting in denuclearization of the Korean Peninsula, opposing DPRK to develop nuclear weapons. China once openly condemned DPRK nuclear test and supported UN Security Council to apply sanctions against DPRK. China upholds six-party talks to solve DPRK nuclear issue.

Opposing DPRK military provocation against ROK. If a war breaks out in the peninsula caused by DPRK initiative attack, China would not give DPRK any support. If China is to be implicated in a conventional or nuclear war, China will surely rise in self-defence.

Persuading DPRK to act in accordance with international rules, preventing DPRK from unreasonable moves.

China's unremitting efforts and diplomatic mediation for easing the peninsula tension have been approved by the international society. The British *Finance Time* published an article on December 30 last year praising China's efforts on calming down the peninsula tension. US noted scholars also spoke highly of China's role in the present peninsula situation saying that "China's role is of utmost importance", "China is the only country having enough reputation in both ROK and DPRK", "What China has done is extremely difficult", "the important role China has played ought to be praised".

Along with both sides' appeal for dialogue and relaxing standby status of military units or downgrading surveillance alerts, relaxation has appeared on the Korean Peninsula. I believe that statesmen of all countries concerned have enough wisdom and ability to enable the situation developing towards dialogue, negotiations and peace. (by Zhao Shunzhang)

North Korea’s Transition and China-North Korea Relations

“China-North Korea Alliance and Implications for South Korea”

Jaewoo Choo (Kyung Hee University)

Leadership Transition in North Korea

On September 28, 2010, North Korea’s next leadership was confirmed at North Korean Workers’ Party Delegates Conference that hasn’t been held for more than 44 years. The first such meeting was held in 1958 and the last one in 1966. However, that a new leader was introduced at such a meeting was certainly an unusual way compared to its precedent. Kim Jong Il’s succession to Kim Il Sung came at the sixth Party Congress in 1980. Considering how meaningful and important leadership succession is to North Korean politics, it would only seem more appropriate that the succession by Kim Jung Un, son of Kim Jong Il, should have followed his father’s suite. However, it didn’t, and it was rather carried out in a way that gave an impression of being pressed. The rush can be mainly attributed to ailing health of Kim Jong Il. Regardless, leadership succession has been consolidated and newly elected personnel have also comforted to new leadership.

Among the newly elected members in the upper echelon of the party, military apparatus, some remained intact, and others newly promoted. Those who survived the shuffling seem to have earned the trust and confidence of Kim Jong Il and will continue to support him and his leadership succession scheme until he steps down officially and formerly. Those newly advanced into the core group are regarded to act as mentors of Kim Jung Un while under the tutelage of his father till he completes succession. What is particularly note worthy among those newly advanced members is that some of them seem to have had sufficient experiences in attending meetings and contacts with Chinese counterparts throughout their careers. Among them, they include Kim Yong Chun (Vice Chairman of National Defence Commission, politburo member, minster of People’s Armed Forces, member of the Central Military Commission), Kim Jeong Gak (elected to the Politburo), Jeong Myeong Do(Navy Commander, elected to the CMC), Ri Byung Choll (Air Force Commander), Jang Sung Taek (Vice Chairman of National Defence Commission).

In short, while Kim Jong Il has considered the sake of his son’s succession when selecting new members in politics, the party, and the military, he had to be also conscientious of China factor to the survival of his son’s regime and leadership. No matter what kind of policy Kim Jung Un might pursue with his regime, as long as everything from policy orientation to external predicament remains constant and unchanged, he may have to rely on China for the time being. With the current external relations with the surrounding nations including the US, South Korea, and Japan, remaining unfriendly and military-oriented policy a top priority, any sort and type of North Korean leadership will have to depend on China for survival at least during the first phase of inception. Whether the leadership be under the son of Kim Jong Il or anybody or any group from the military or the party, whoever leads and take control of the country will have to be dependent of China until they find an alternative to Chinese source of aid and assistance.

China takes up about more than 70% of North Korea’s total trade and its goods pretty much dominate the shelves at shops and vendors in North Korea. About 150 trucks are shuttling goods from China into North Korea on a daily basis. These trucks were ordered to wrap their cargos when going in and out of the North, and hence, it is not known whether they come out emptied. Regardless, whether these goods are official export cargos or sheer goods of aid and assistance is unknown to the public. However, one thing ascertain of these activities is that there is consistency and continuity in

the economic activity between the two nations. Although North Korea seems to be under economic difficulties as it continuously demands for talks with southern counterpart with hopes of retrieving economic compensation in return, South Korean government remains unyielding to date. Such stance by Seoul may only further push Pyongyang to be more dependent on Beijing.

Pyongyang's reliance on Beijing will continue in the foreseeable future. Even with regime and leadership change in Pyongyang, North Korea will have to do so. Unless there is a breakthrough in its external circumstances including its relations with the US and South Korea, North Korea's only viable and liable source for aid and assistance will be China. China may continue to provide aid and assistance in a variety of forms and means, albeit its recent strenuous efforts to induce Pyongyang to pursue its suite of reforms and open-door policy. Based on the reading of the recent talks between Hu and Kim in August meeting, China's wishful thinking is that Pyongyang will at least and at minimum do open its country to China, if cannot to others. At the talks, Hu asked Kim to consider joining China's development plan of three northern provinces, also known as "Changjitu(Changchu-Jilin-Tumen) project", and in response, Kim for the first time publicly expressed that he will "seriously review it."

Alliance solidarity question

North Korea is the lone state that China to date has a "alliance" relationship. To date, North Korea remains the only exceptional case against one of China's long standing diplomatic principle, "Non-alliance." China's idea of having an alliance treaty with Pyongyang was a byproduct of Cold War setting and internal struggle in the communist bloc, especially against the former Soviet Union. In other words, especially at the regional level, it was out of strategic consideration on Beijing's part in its struggle for sphere of influence in Northeast Asia. Unlike Russia, China has not made an attempt to amend or renounce the alliance treaty, i.e. 1961 Friendship and Cooperation Treaty. In 2000, Russia decided to renounce it and signed a new one that extricated military alliance character that once existed in the previous one. On the contrary, Beijing has thus far seemed to be uninterested in even rendering such consideration, and continues to show high respect to the original one, despite the changes in international structure, i.e. the end of the Cold War, as it emphasizes.

China will continue to support the alliance treaty for the time being. The reason is simple: To keep the status quo. The current power configuration is underpinned by balance of power. This balance of power is supported by three legs of bilateral alliance. One is China-North Korea alliance. Another one is US-South Korea alliance. Other is US-Japan alliance. Should China abolish the alliance or changes the character of the treaty like Russia did, it is well aware of the consequences. The result will obviously be the upset of the status quo to its own disadvantages. Already, Chinese observers and pundits realize that the balance has been in shift since the end of the cold war to the advantage of South Korea and the US. With South Korea's vastly improved economic status, coupled with alliance with the US, its military might is commensurate with economic power. All these factors, in the eyes of Chinese pundits, have all worked in favor of US-South Korean alliance in terms of power structure on the Korean peninsula. What is more devastating to the Chinese observers is that the recent North Korean nuclear and missile tests have prompted strengthening of US-Japan alliance to the extent that Japan is gaining much greater access to possible military activities that are tangible to not only North Korea but also the Taiwan Strait.

As long as the balance of power continues to favor those south of the 38th parallel, China cannot afford to lose its alliance with the North, if not strengthen it. One salient example is noticeable, but least mention, in the analysis of the bilateral relationship in the 1990's. Conventional views hold that the relationship was not as solid as before or now. Furthermore, they argue that it was rather fragile because of some policy adjustments adopted by Beijing, which in return stirred Pyongyang's ire. Just to mention a few, these adjustments included China's decision to establish diplomatic relations with the South, a new economic policy that abrogated barter trade and friendship price but demanded for hard currency transaction for trade, and China's seemingly indifference to Pyongyang's security and economic difficulties stemming from the first nuclear crisis against the US and natural disasters, respectively. Hence, the bilateral relationship witnessed a pause in high level exchanges and meetings

from 1992 to 1999. It will not be until 1999 when it was pronounced that the bilateral relationship was became “normal.”

Nonetheless, what was really overlooked by many was that high level exchanges continued at the party and military level during this span of time. Although there seemed to be not much political activities that went on during this time at the governmental level, communication channels were fully activated between the parties and military officials of both countries. What this implies is that the bilateral relationship must be read in the context of “party diplomacy” as long as both countries remain a socialist state in which the ruling single party dominates the power structure and governance. All these factors indicate that the solidarity of the alliance has never been affected by changes in external environment and governmental relations. The alliance is strongly buttressed by ever-lasting party relations between the two countries. In the end, it takes the final form of consolidation by continued exchanges in the military relations.

Prospects and implications

If “party-to-party” relations is so important and highly valued or is the backbone of the bilateral relationship, then, a seriously challenging question arises. That is, China’s influence over North Korea. The question has bewildered many over the years. It is because of lack of transparency in their communication context. What is available to public is limited. Media reports and released documents on party exchanges do not reveal anything but only high remarks and praises rendered by the leaders. Hence, we do not know if there exists any kind of differences of opinions or views not only on bilateral relationship but also on perception of foreign affairs. Furthermore, according to China’s communist party official statements, ‘party diplomacy’ is not driven to impose value or influence others to its own interests. It is rather to strengthen understanding and contribute to the development of national relations. Thus, what could best possibly inferred here is Chinese communist party’s unwillingness to exert any kind of pressure or influence on Pyongyang to meet its own and its nation’s interests.

From this perspective, it could be safe to state that China’s influence on North Korea may be limited. To have an influence on one country implies that the state that wants to influence on the other one does this with expectations that the outcomes of the other’s policy will be in line with its intentions and purposes. This is where many do overlook the meaning and notion of sovereignty. Unless there is a common ground on which common interests can be built and found, no sovereign state will like to be under the influence of others and have its policy outcomes to serve those of others. After all, states are interest-driven. China and North Korea are no exception. Instead, one may have to fully grasp what the common interests are between the two. It is the balance of power. Nothing more or nothing less. Peace and stability are rhetoric. Peace and stability are preserved and maintained by balance of power. Status quo is the prerequisite of peace and stability that are sought by the two countries. If this is broken, then, there goes the peace and stability question. Hence, to both China and North Korea, the fundamental interest is how to preserve and sustain the current balance of power that is already perceived to be shifting to their own disadvantages against the US, South Korea, and Japan.

To China, peace and stable international environment in Northeast Asia means preservation of balance of power. To North Korea, peace and stability on the Korean peninsula means the status quo. To them, enhancement of peace and stability would mean tilting back the balance power to equilibrium. In other words, it is to pull back the shifting balance to their favor or to equilibrium to be more precise. In the same vein, more stable and peaceful environment will have to incorporate restructuring of power configuration and this is where perhaps the question of American military presence on the Korean peninsula arises.

As long as China upholds alliance with North Korea and continues to value its relations with the South, China has to persistently handle respective relationship in the context of trilateral relations. Under the circumstances, China will be in a constant alliance dilemma with North Korea and security dilemma with the South and the US, if security challenge arises. Even in other realms of the relationship, China will have to play trilateral relationship with South and North Korea. This is where it takes much more wisdom and intelligence on South Korea’s part in establishing relations with North

Korea. We cannot expect China's explicit compliance to our demand on North Korea or North Korean issues. We must instead seek for greater cooperation and joint efforts from China. We must understand the predicament that China is in with the North. We must find ways whereby we can cooperate with China, for instance, in inducing North Korea to reforms and open door policy. We must cooperate with China in creating an international environment conducive to serve such interests for North Korea. The best possible way, among others, is to first build consensus between China and South Korea on the necessities for the North to reform and then to find ways in which the two nations can co-operate, instead of competing, measures deemed suitable and appropriate to such an end.

The Situation of Korean Peninsula Is the Game Mastered by the US

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Will the war soon happen in Korean Peninsula? My answer is No. Because, formally, the clash is between the South and the North of the peninsula, but in fact it is the game between the North Korea and the US and mastered by the US. But none of them want a war.

1. The situation of the Korean peninsula is not out of control

- From view of the North Korea, it faces the threat from the US, and its main aim is to eliminate this kind of threat. But there exists only one way for the North Korea, that is, normalization the relation with the US. So what the North Korea does is only to gain more jetton(筹码) for returning the negotiation or the six-party dialogue. And it tries hard to make the US agree with its condition and then reopen the negotiation. But in order to reach this goal, the North Korea may take some moderate “extreme” action. The goal reaches, the North Korea will compromise at some large.
- From view of the US, of cause, the US wants the North Korea to abandon the nuclear weapon. But this is not the main aim for the US. The main aim for the US is to transfer its global strategy to the east to mastering China’s rise. In order to transfer its strategy to the east, the US indulges the peninsula situation “appropriate” worse at some large, so that it can win the time for its strategy transfer.
- So, all the countries involved the Korean peninsula situation will return to the negotiation. But what time the negotiation will begin, on earth, this lies on the resistance of the North Korea and the strategy transfer of the US. Obviously, both the US and the North Korea Know the situation trend of the Korean peninsula, but the South Korea knows little about this. Actually, the South Korea has to try its best to “cooperate” with the US from the beginning of the clash.

2. The situation of the Korean peninsula is the chance for the US to transfer the strategy from the West to the East

- After the cold war, the US wanted to transfer the strategy to the East all the time, but it didn't succeed. So, the US began to reflect on its policy to the Soviet Union: is it a strategic error to overthrow the Soviet Union? Because after the collapse of the Soviet Union, the US-European ally was no more exist. Even, the European countries sometimes run in the opposite direction with the US.
- Furthermore, to the US, the most important thing is that there were two trends in the post-cold-war world: one is the rise of China, the other is the decline of the US. The two trends makes The US transfer its strategy from west to east, so that it can deal with China's rise. At the same time, the medias in the US disperse the argument of "China is scrambling for the dominance in the world system ". Although the US administration doesn't think that the war will break out between China and the US, it must guard against China's rise. The best way is to bring China into the world system dominated by the US, and makes China to be a "responsible stakeholder". That is, making China help the US to reduce the hegemony costs. As far as the "strategic reassurance", its aim is also to maintain the dominant status of the US. So, in order to continuing its dominant status in the world system, it is imperative for the US to transfer the strategy to the east under the situation of no great power replacing the US after the cold war in the West.
- Though the US wanted to transfer its strategy after the collapse of the Soviet Union, this action was all the time impeded by a series of events in the west, such as problems of Yugoslavia, Kosovo war, the enlargement of the NATO ant EU, "9 • 11", Afghan war, Iraqi war, and so on. So the US was weighed down with these events and unsuccessful for its strategy transfer. But the "tian'an" ship event is the important chance for the US to transfer its strategy. While the event happened, why did the US react more severely than the South Korea? The reason is that the US wanted to magnify the effect of the event in order that the US had some excuse to take the further action. As we all known, the US held a series of military exercise with the South Korea afterward. By this way, the US military comes back to the East Asia.

3. What is the choice of the South Korea?

- Military deterrent is no use. This way may only make the situation more complicated and severe, unless the South Korea really wants to unite the whole peninsula with the military way. But can the South Korea bear a war? And has the South Korea capability to unite the peninsula? The answers both are "No". The South Korea's national power can not bear a war, and the most people in South Korea are against the war. Even if the South win the war, it can not assimilate the North, including the large quantities refugees, social development, and so on. War only brings the animosity and tragedy.
- Who will benefit from war? Of cause, only the US will benefit from it. First ,

the US will deploy its military power in the east by the war. Second, even if the South Korea win the war, it will be monitored by the US. And the third, the relation between China and the Korean peninsula will be impeded by the US.

- The South Korea should consider more about China-the South Korea relation. Because, the interests of the South Korea is in the East Asia, but not in the US, especially its economic interests. The total trade between China and the South Korea is more than 200 billion \$ in 2010, and the South Korea is favorable balance between the two countries' trade. China is the biggest trade partner and export object of the South Korea. So, if China is forced to involve the war between the South and the North of the peninsula, then the economic development of the South Korea since the crisis in 1997 will break down again. Furthermore, there will be no vigor for the South Korea to recover.

New Challenges Need New Thinking: China's Strategy toward the Korean Peninsula

(outline)

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The security situation of Northeast Asia in the last two years has been evolving to an alarming direction, it is utopian to talk about substantial peace negotiation in this region in recent years due to the lacking strategic mutual-trust. The North and South confrontation on the Korean peninsula has been escalating since the spring of last year, leading to a war scenario debating. The strengthening US-Japan-South Korea trilateral military coordination and cooperation targeting Pyongyang, officially announced, is regarded as flexing their military muscles to China, argued by many Chinese experts. China-Japan relations have seen a whirlwind of ups and downs last year. The competition between China and the US last year was all-directional, political, economic and military. These fundamental changes have brought Chinese national security fundamental challenges which should be taken more seriously than ever before in three decades. New Challenges need new thinking for China's strategy toward the peninsula and Northeast Asia.

I. How would China Understand the New Challenges?

Challenge 1: the Escalation of North-South Korean Military Confrontation

Since the second provocative nuclear test by North Korea in 2009 and particularly the South Korean frigate Cheonan sunk off the west coast of the Korean Peninsula on March 26 2010, as South Korea claimed that the North was responsible, the bilateral relationship has been deteriorating. Military exercises held by Seoul itself or jointly with Washington in Yellow Sea or mainland South Korea has made North-east Asia security in a dangerous situation, involving China's diplomatic protests and military responses. What really brought things to the boil is the shelling Yeonpyeong of South Korea by the North. The Lee Myung-bak administration of South Korea who has abandoned the Sunshine Policy toward the North while waving its big stick, has been hoping to take the military confrontation as an opportunity to reach the final reunification of two sides.

The key issue is that the military escalation might lead to a regional war on this peninsula which reminds us of the bloody Korean War happened sixty years ago. This obviously has been challenging Chinese national security since main questions on the second Korean War changed in the second decade of 21st century.

Does South Korean government and its people prepare well militarily, politically,

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economically, and even more important, psychologically for launching a war against or exerting military pressures on the North? President Lee Myung-bak said a month ago that “reunification is drawing near” and the government designated the year of 2011 as the “first year of unification”. Actually, this wishful thinking is based on two main conditions: the military support of Washington and Tokyo and coming collapse of Kim Jung-il’s regime.

The problem is the Lee Government’s wishful but dangerous plan met strong, one-hundred percent, opposition from China when it won less than ninety-nine percent military support. Another problem is the Kim’s regime might not collapse in coming years, as South Korean media reported, in 2012, the Great Leader and his son Kim Jung-eun might maintain their power with domestic economic difficulties, but political and military stability, as many Chinese scholars view differently.

A subsequent question is: will China and the United States take military intervention again when the second Korean war happens? The United States definitely will involve militarily as South Korea’s ally. The Chinese position on the war remains ambiguous as that best prevents the war from happening. However, if the North and South on the Korean peninsula reaches reunification, either by force or peaceful evolution, China has to reassess consequences of the reunification and the relationship with a reunified Korea.

Challenge 2: the Japanese Aggressive Policy toward China

China and Japan have disputes openly over Diaoyu Islands and both sides maintain the status quo for more than 30 years. The Naoto Kan government chose to take hawkish policy toward China under the support from the United States. The Japanese provocative action of detaining a Chinese fishing boat and its crew near China’s Diaoyu Islands changed the status quo over this disputes and made Chinese government react strongly.

The aggressive posture has been manifested also in Japanese adoption of the new defense guideline and the Japan-US military integration.

Challenge 3: the Barack Obama administration’s strategic adjustment toward China

Since US president Barack Obama’s China’s visit a year and two months ago, the US government has been launching multi-field, multi-level and multi-round of strategic offensive. The adjustment of American strategy to China has brought not only decreasing bilateral strategic mutual-trust, but also affected regional relations, particularly China’s relations with some neighboring countries, such as Japan, Philippine, Vietnam, and India.

It can be predicted that the crises facing China in the foreseeable future will be growing, not reducing. The most worrisome is that the United States might keep its leadership and hegemony in East Asia at the cost of regional peace and stability by stimulating and supporting proxy wars or involving regional war directly. As a matter

of fact, wherever there are presence of American troops, there most likely are military conflicts.

II. Gains and Losses of China's Foreign Policy

The above-mentioned challenges tell more when we look at China's foreign policy and its guideline, the peaceful rise theory. The guideline has been suffering internal dilemmas, which are determined not only by Beijing's policy orientation, but also the foreign attitudes and responses.

To put generally, when China hopes a peaceful rise in dealing with foreign countries, this strategy will fail if foreign countries, especially the United States, take negative attitudes and hardline policies to stop its growth. If China responds a little strongly, it will be blamed and criticized as a game-rule violator.

One example is the current US's policy toward China, especially in military and economic fields. The further deployment of US troops in East Asia and its public denouncements of China's South China Sea policy and Chinese military buildup make many Chinese neighbors fear China's rise.

Another example is the stagnation of East Asia regional integration process and the abatement of East-Asian community idea from last year. Chinese support of regional cooperation is regarded as establishing regional hegemony.

The result of internal dilemmas of peaceful rise strategy is a production-line approach in China's foreign policy to security challenges. The withdrawal of North Korea from Six-party talks, the South Korea-US joint military exercises in Yellow Sea, the wedge US drives between China and some Asean countries over South China Sea islands disputes, Japanese aggressive policy over Diaoyu Islands, and so on, so forth, have demonstrated the necessity of rethinking the gains and losses of Chinese foreign policy.

The final purposes of the Six-party talks were to achieve Korean Peninsula denuclearization and maintain North-east Asian peace and stability. Now, North Korea has nuclear weapons, the escalation of North-South military menaces might lead to second Korean war, the target of US-Japan alliance is shifting to Beijing, and China is criticized to connive at Pyongyang's provocative acts. And domestically, many people criticize Chinese foreign policies toward the US, Japan and South Korea over the peninsula affairs were too soft. The phrase of "no gain with pain" can best describe Chinese foreign policy toward the Korean peninsula.

There are also examples over China-US and China-Japan relations show a lot of losses of Chinese foreign policy.

III. China's Foreign Strategy toward Korean Peninsula and Policy Recommendations

This strategy consists of three parts:

First, the future of Korean peninsula depends the North and the South's policy

toward each other, and the disputes should be resolved by Koreans themselves. Any military presence of foreign powers should withdraw gradually and give a final resolution in a given time.

Second, a peaceful reunification between the North and South is beneficial to themselves, China and Northeast Asian security. Inciting a war by either side is not acceptable.

Third, a balancing engagement strategy toward North and South China is beneficial to three countries. China supports the North-South dialogues over military reduction and economic cooperation.

In terms of policy alternatives, I would like to recommend as follows:

Recommendation 1: to encourage the bilateral talks between the North and the South over economic cooperation and cultural exchanges first. To provide platforms for these dialogues in Beijing, Shanghai, or somewhere else in China.

Recommendation 2: to talk about Pyongyang's observer status in China-Japan-South Korea summit since isolation of North Korea is a hotbed of war.

Recommendation 3: to take North Korea's security concern into consideration, China and the two Koreas might talk Chinese offer of nuclear umbrella for the North and the South Korea's implementation of engagement strategy toward the North.

Recommendation 4: China and the two Koreas talk about the establishment of Yellow Sea Economic Circle.