

## Smart Talks in Shanghai & Taipei

### Shanghai

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This product presents a  
policy-oriented sum-  
mary of the Smart Talk.

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## Changing East Asian Security/Economy Architecture

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The East Asia Institute (EAI) in South Korea together with its partner institutions, the Shanghai Center for RimPac Strategy and International Studies at the Shanghai Jiao Tong University and the National Chengchi University in Taiwan jointly held Smart Talk seminars. A collaborative event within the “Northeast Asia” cluster of the MacArthur Asia Security Initiative these seminars were held in Shanghai and Taipei on January 19 and January 21, 2010 respectively.

With the title of “Northeast Asia Security Challenges,” these Smart Talk seminars gave focus to the rise of China, China’s new role in the world, changing East Asian security architecture, Inter-Korean relations, and Cross-Strait relations. This collaborative research effort seeks to develop a greater understanding among Northeast Asian countries and facilitate policy recommendations from different perspectives on the key issues affecting the region.

The following is a summary of the main points and views from the participants from the three institutions at both seminars.

### U.S.-China Relations and the Desirable Security Architecture for East Asia

#### Chinese Experts

During the Smart Talk seminars, Chinese experts argued that since the post-Cold War period, the United States has decided to adopt

a dual policy of engagement and hedging toward China. The Obama administration has inherited such a dual policy with Asia at the focus of such an effort. This underlines that Washington’s foreign policy is viewed as still seeking to maintain U.S. hegemony.

In spite of China’s growing power, Chinese experts believe that the United States remains the only super power in the world as well as the strongest power in the Asia-Pacific region in terms of economic and military strength, science and technology, and cultural influence. Nevertheless, U.S. national power has relatively waned since the Global Financial Crisis, its influence in the Asia-Pacific region has also decreased, and its hegemony wavered.

Chinese experts evaluated that since President Barack Obama’s state visit to China in November 2009, the United States has initiated a multi-field, multi-level, and multi-round strategic reengagement with the Asia-Pacific region. This move by Washington was regarded by Chinese experts as not only damaging mutual-trust between the United States and China, but also impacting upon China’s regional relations, particularly with neighboring countries, such as Japan, the Philippines, Vietnam, and India. Chinese experts in the seminar expressed concern that the United States will wish to maintain its leadership and hegemony in East Asia at the cost of regional peace and stability by possibly becoming directly involved in regional conflicts. Chinese experts also noted that while the

*“Although U.S. support is indispensable for both South Korea and Taiwan, it is clear that in the future it will be limited to a certain extent.”*

United States and Japan wished to avoid war on the Korean Peninsula, they still wanted to maintain the current stalemate as stability and unification does not meet their maximum interests.

#### Taiwanese View

On the role of the United States in Asia, Taiwanese experts believed that there is no doubt that it plays an important and significant role in both Inter-Korean and Cross-Strait relations. The United States continues to serve as the protector of South Korea and Taiwan as it is the ally of the former and a supporter of the latter through the Taiwan Relations Act. Furthermore, the presence of the United States is viewed as a stabilizer to prevent either side on the Korean Peninsula or the Taiwan Strait from taking provocative actions or displaying intentions to change the status quo.

Taiwanese experts specified that the role of the United States is composed of the following elements: to acknowledge the “One China” policy in the Shanghai Communiqué with the People’s Republic of China (PRC); to uphold the Taiwan Relations Act; to continue arms sales to Taiwan in order to boost its defense capabilities and confidence in Cross-Strait dialogues; to maintain the strategic and economic dialogue between China and the United States; and to maintain U.S.–Taiwan relations.

According to Taiwanese scholars, the U.S. goal in this part of the region is to be interpreted as seeking to maintain peace and stability. Washington supports the efforts made by Taipei to engage Beijing and increase interactions across the Taiwan Strait. The Taiwanese experts also expect that the currently improving Cross-Strait relations could contribute to positive-sum relations among the

United States, China, and Taiwan, which would serve U.S. interests in Asia. As for Inter-Korean relations, the United States has demonstrated strong support for South Korean President Lee Myung-bak’s in attempting to deter any possible provocative action that might be taken by North Korea. Washington has also strengthened security cooperation with Seoul to reassure of its commitment to the stability of the Korean Peninsula.

Taiwanese experts also predicted that although U.S. support is indispensable for both South Korea and Taiwan, it is clear that in the future it will be limited to a certain extent. The United States is no longer the dominant force in the East Asia region. With the changing environment of power relations among Asian countries, it is becoming more complicated for the United States to cope with security and other regional challenges. The rapid rise of China and its increasing influence on Asian regional economic and security developments makes the U.S. future role more uncertain. In addition, the serious economic and financial problems at home could hardly allow for the United States to become involved in any additional foreign conflicts in the foreseeable future.

Taiwanese experts recommended the following points:

- The United States should nurture constructive factors for a rising China.
- To alleviate a sense of loss with China’s rise, regional countries should encourage the United States to become more engaged in Asia
- Regional powers need to assist in managing the U.S.-China mutual expectations and avoid pitfalls for friction by enhancing common interests and reducing conflicting interests.

*“The United States has been strengthening its status in East Asia by securitizing its economic network, mainly through FTA networks.”*

## Korean View

Korean scholars believe that U.S.-China rivalry has originated from the bilateral security dilemma that is a part of power transition. This was manifested in the disputes at the 2010 Copenhagen Climate Change Conference, U.S. arms sales to Taiwan, exchange rate disputes, the *Cheonan* Incident and the subsequent ROK-U.S. military exercises, the South China Sea issue, China-Japan maritime disputes, post-crisis economic management, and the forward-deployed diplomacy of the United States. They evaluated that there is strategic mistrust and this calls for mutual cooperation. The problem is in the misperceptions or incomplete information about the other party's intentions which are evident through the offensive behavior and lack of trust and consensus about the process and the end-state of this power transition in the twenty-first century.

In terms of economic policies, Korean experts noted that the United States has been strengthening its status in East Asia by securitizing its economic network, mainly through FTA networks. On the other hand, China has been trying to preempt those linkages, as shown in the China-ASEAN FTA, China-Taiwan ECFA, and continued efforts to pursue a South Korea-China FTA and even a trilateral South Korea-China-Japan FTA.

As a Cold War-type bipolar confrontation and mode of thinking is unlikely to materialize, South Korea's role can be critical in helping the transformation of the East Asian international political environment from Hobbesian anarchy to networked regional governance. This can be termed as a “complex network diplomacy” meaning a combination of factors such as using a complex ROK-U.S. alliance to transform the global and regional military architecture. Other areas could in-

clude strategic cooperation with China, Japan, and Russia, knowledge diplomacy to cope with future challenges on the Korean Peninsula, and middle power network diplomacy to help resolve the security dilemma between the United States and China.

## Future Strategies for Cross-Strait and Inter-Korean Relations

### Chinese View

North Korea's provocations in 2010 and the subsequent military exercises by South Korea and the United States resulted in heightened regional military tensions. The Chinese experts were concerned that this might lead to a regional war over the Korea Peninsula, reminiscent of the bloody Korean War that happened over sixty years ago. As such, this is regarded as a critical challenge for China's national security planners.

The Chinese side evaluated the position of the Lee Myung-bak government toward North Korea as wishful thinking that is based on the unquestioned military support from Washington and Tokyo and expectation of the North Korean regime's collapse. Chinese experts predicted that Kim Jong-il and his son Kim Jong-un will maintain their power with domestic economic difficulties but continued political and military stability.

On the unification issue, the Chinese experts also noted that if North and South Korea reach the point of reunification, either by force or peaceful evolution, China will have to reassess the consequences of reunification and its relationship with a united Korea.

According to the Chinese experts, to enhance its future role in Northeast Asia especially on the Korean Peninsula China must:

*“Domestic politics remains as a key variable in determining Taiwan’s relationship with the mainland.”*

- Coordinate with the United States, South Korea, Japan and other concerned countries to promote stability and prosperity in Northeast Asia.
- Oppose military alliances, military threats, and military means to resolve disputes while adhering to the principle of solving disputes through dialogue and negotiations.
- Maintain a consistent sequence of policies toward North Korea, making timely and necessary readjustment.

In this regard, the main points related to North Korea are:

- Respect DPRK state sovereignty and territorial integrity, without interference in its internal affairs
- Encourage North Korea to reform and open up by changing its closed-door policy and isolated position, and return to the international community;
- Help North Korea to develop its economy, improve people’s lives, and create favorable conditions for the unification of the Korean Peninsula.
- Pursue denuclearization of the Korean Peninsula; oppose the development of nuclear weapons.
- Oppose North Korean military provocation against South Korea.
- Persuade North Korea to act in accordance with international norms

In assessing China’s strategy toward the Korean Peninsula, Chinese experts expressed their view on the following points:

- The future of the Korean Peninsula will depend on the policies of North and South Korea toward each other. Disputes should be resolved by the Koreans themselves and any foreign military presence should be

withdrawn gradually.

- The peaceful reunification of North and South Korea will be beneficial to both sides, as well as for China and regional security. Any incitement of conflict would be unacceptable for Beijing.
- A balancing engagement strategy toward the two Koreas will be beneficial to them and China. North-South dialogue on military force reduction and economic cooperation is strongly supported by Beijing.

In giving policy recommendations, the Chinese experts suggested that bilateral talks between the two Koreas on economic cooperation and cultural exchanges should take place first and would benefit from being held in Beijing, Shenyang, or another location in China. The Chinese experts further suggested that the surrounding countries should consider an observer status for North Korea in China-Japan-South Korea trilateral summits since its isolation facilitates conflict.

The security concerns of North Korea need to also be taken into consideration. In order to address these worries, the experts suggested that China and the two Koreas might wish to talk about the possibility of a Chinese nuclear umbrella for North Korea and South Korea’s implementation of an engagement strategy toward the North. They also put forward the need to consider the establishment of a Yellow Sea Economic Circle among the related parties.

#### Taiwanese View

According to Taiwanese experts, the Cross-Strait relations under the Ma Ying-Jeou administration are going through the warmest period since 1949. The Economic Coopera-

*“The Six-Party Talks should be transformed into a venue to guarantee North Korea’s survival for the next leadership while also pressing for fundamental change through reform and opening.”*

tion Framework Agreement (ECFA) and other developments have contributed to the prediction that positive relations will continue across the Taiwan Strait. However, uncertainties remain. Domestic politics remains as a key variable in determining Taiwan’s relationship with the mainland. The forthcoming Taiwan presidential election in 2012 will be a major factor influencing the possibility for political negotiations between Taipei and Beijing in the near future. The Taiwanese scholars noted that domestic politics plays a crucial role in both relationships. When the Democratic Progressive Party (DPP) of Taiwan was in power, it was against the one China principle and the 1992 consensus, favoring only limited engagement with China. The ruling Kuomintang (KMT) party, however, endorses the 1992 consensus allowing for each side’s interpretation on China, and favors normalized economic ties with the mainland.

#### **Korean View**

Regarding the current situation in North Korea, the Korean experts predicted that Kim Jong-il will try to consolidate his son’s succession when selecting new members in the party and the military. Also, he has been conscious of the China factor to the survival of his son’s regime and leadership. It has been noted that no matter what kind of policy Kim Jong-un might pursue with his regime, as long as everything remains constant, he may have to rely on China for the time being. As current relations with the United States, South Korea, and Japan remains unfriendly and military-oriented, any North Korean leadership will have to depend on China for survival at least during the first phase of its development.

The Korean scholars assessed that “party-to-party” relations between China and North

Korea are very important and highly valued as the backbone of their bilateral relationship. Yet these days, the Chinese Communist Party is unwilling to exert any kind of pressure or influence on Pyongyang to meet its own national interests. Consequently, it could be safe to say that China’s influence on North Korea is limited. It has been argued that peace and stability are preserved and maintained through a balance of power. The status quo is the prerequisite of peace and stability that are sought by the two countries. For both China and North Korea, a peaceful and stable international environment in Northeast Asia means preservation of the balance of power and the status quo, yet a more stable environment will be sought by the two.

For China’s future policy role, Korean experts argued that as long as China upholds its alliance with North Korea and continues to value its relations with South Korea, China has to handle both relationships in the context of trilateral relations. Under the current circumstances, China will be in a constant alliance dilemma with North Korea and a security dilemma with South Korea and the United States whenever security challenges arise. Therefore, China must play a trilateral game with the two Koreas. This will require wisdom and intelligence on South Korea’s part in establishing relations with North Korea. For South Korea’s future policy toward the North, Korean experts suggested the following: first, to have a long-term view of a future for North Korea; second, to cope with any contingency situation, to think of a desirable future for North Korea, and to try to adapt flexible policies to that purpose; third to sustain a coherent and principled policy of engagement toward Pyongyang.

North Korea will be assured of the other countries’ genuine intention for coexistence

only when it sees a very detailed and well-devised plan for its own future. For this end, international co-engagement will be crucial. The Six-Party Talks should be transformed into a venue to guarantee North Korea's survival for the next leadership while also pressing for fundamental change through reform and opening. ■

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